FINANCIAL TIMES
No. 26,659 Tuesday May 6 1975
CONTINENTAL SELLING PRICES: AUSTRIA Sch.12; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

All U.S. troops may quit Thailand

The U.S. is to withdraw another 7,500 troops from Thailand by the end of June and the Bangkok Foreign Minister expects the 19,500 remaining to have pulled out by next March.

French sources have said that the atmosphere in Saigon is calm and that all foreigners are being well-treated. However, President Ford is concerned about a radio report which indicates that 80 or 90 Cambodian officers and their wives were killed by the Khmer Rouge.

A decision on whether to allow a limited number of refugees to settle in Britain has yet to be taken, but a suggested figure of 900-950 was dismissed by the Foreign Office as "pure guesswork." No quota had been fixed, it said. However, the Government is expected to be broadly sympathetic to Washington's request for help. Page 5

500 pay beds to disappear

The number of pay beds in National Health hospitals is to be reduced by about 500 in the next few weeks, Mrs. Barbara Castle, Social Services Secretary, told the Commons. Consultations on legislation to phase out all private beds will begin immediately. Back Page

Pension funds draft toned down

After public criticisms from Mr. Wilson and Mr. Harold Lever, Mr. Anthony Wedgwood Benn has amended his controversial draft document seeking to compel City institutions to provide pension funds for use by public enterprise, including the NEB. It now calls for a large but "agreed" proportion of institutional funds to be re-invested in manufacturing industry. Page 8

Farmers capture French egg lorry

A lorry carrying French eggs was overrun by about 30 farmers on a lay-by near Exeter. Some 50 cases of eggs were smashed or damaged with a crowbar and the lorry's tyres were deflated. At Southampton, farmers blocked a dock access road and scuffles broke out in protests at cheap egg imports, while at Plymouth farmers failed to prevent a consignment from Brittany being smuggled from the docks.

Big council rent rises: Crosland

The Government expects local authorities to increase council rents by about 12 per cent. this year and by possibly as much as 20 per cent. in 1976-77. Environment Secretary Anthony Crosland warned that the rises were needed to try to balance the housing finance books and ease the burden on ratepayers. Back Page

No guerilla aid

Mr. Wilson has firmly rejected an African request for financial or material aid for the Rhodesian guerilla wing of the African National Council. Back Page

MP tears up writ

Mr. John Stonehouse tore up a High Court writ for £40,000 issued by Hanover Berkeley Securities of London, as he arrived at Melbourne City Court where the runaway Labour MP and his secretary, Mrs. Sheila Buckley, were remanded for another three weeks on extradition charges.

P.O. raid charges

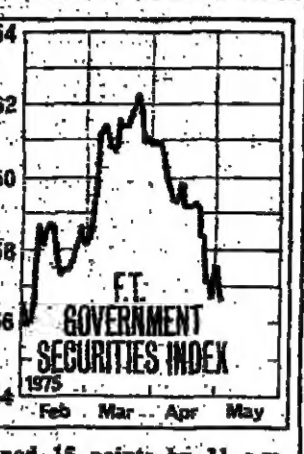
Two men and a woman from Telford New Town, Salop, were remanded in custody by a special court at Much Wenlock, accused of being involved in post office raids.

Racing at Chester is likely to be picketed to-day, and coachloads of stable-lads may travel to Epsom and Newbury training centres later this week.

BUSINESS

Equities drop 15; Gilts fall back

● EQUITIES fell back sharply as fears over a further rise in interest rates and the weakness of sterling added to the general gloom over the economic situation. The FT 30-share index



dropped 15 points by 11 a.m., staged a small, technical rally but then retreated again to end at its lowest of the day: down 15.7 at 315.0. Losses in leading issues topped 10p. The FT-Actuaries three main indices recorded losses of 2.6 per cent.

● GILTS opened lower, but small selling pushed prices down further. Losses ranged to 1¼, and the Government Securities index fell 0.94 to 56.55.

● INVESTMENT DOLLAR premium rose 2¼ points to 107¼ per cent.

● GOLD fell $1¼ to $162¾.

● STERLING weighted depreciation closed at a new low of 23.3 per cent. (23.1). Against the dollar the pound rose 40 points to $2.3415. The dollar's depreciation was 6.72 (6.79).

● WALL STREET closed 7.12 higher at 855.60 on optimism about the U.S. economic outlook.

● U.S. TREASURY Bill rates fell sharply. The yield on 13-week bills at 5.356 per cent. (5.716) was the lowest since January, 1973; that on 26-week bills was 5.724 per cent. (6.158).

● BRITAIN is expected to tell its OECD partners in Paris to-day that it is willing to agree not to introduce trade restrictions when the "trade pledge" comes up for one-year renewal at the end of the month. Back Page

Chrysler facing 30% pay claim

● CHRYSLER UK components workers at Coventry are threatening to strike from the end of the week in support of a £15 a week pay claim—about 30 per cent. The strike could hit the company's Iranian order for knocked-down vehicles. Back Page

● BRITISH LEYLAND'S Cowley chief, Mr. Derek Whittaker, is expected to be named to-day as managing director of the corporation's new car division. Page 7

● NORTH SEA OIL find 150 miles east of Orkney has been confirmed by Pan Ocean U.K. Page 8

● TWA has asked for urgent Federal aid of $181.1m. to offset anticipated domestic losses for this year. This is in addition to the $61.1m. it has requested to subsidise its international routes. Page 24

● LLOYD'S LIFE Assurance is carrying out a major reorganisation to cut expenses, limit expansion and so eliminate last year's £703,764 actuarial deficiency. Page 8

● CENTRAL MANUFACTURING and Trading Group reports higher first-half taxable profits of £1.86m. (£1.43m.). Page 20

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

...rt New Northern	131	+ 8
...ok	36	+ 3½
...ffield Twist Drill	75	+ 26
...enburg Plat.	114	+ 14
...sana	390	+ 15
...stralian Sands	62	+ 7

FALLS

...asy. 10¼pc 1979	£96⅞	− 1⅜
...asy. 12¾pc 1995	£86¾	− 1¼
...right and Wilson	77	− 8
...oc. P. Cement	145	− 7
...cham	253	− 9
...ts	237	− 11
...illers	125	− 9
...6 "A"	165	− 8
...ker Siddeley	272	− 14
...	223	− 7
...broke	157	− 9
Land Securities	212	− 12
Lloyds Bank	212	− 10
London Brick	47	− 4
Lucas Inds.	120	− 6
MEPC	175	− 10
Marks and Spencer	218*	− 10
Metal Box	250	− 12
Pilkington Bros.	185	− 9
Redland	77	− 7
Royal Insurance	285	− 11
Sainsbury (J.)	167	− 7
Tate and Lyle	249	− 11
Thorn Elect.	144	− 12
Tube Investments	262	− 13
Unilever	352	− 9
Wimpey (G.)	119	− 9
BP	408	− 9
Shell Transport	281	− 13
Blyvoor	860	− 46
Charter Cons.	171	− 12
RTZ	184	− 10
Unisel	258	− 14
West Drie.	£47½	− 1¼

* Ex dividend.

(FT stock indices and FT-Actuaries summary Page 31.)

Inability of BR to meet pay claim irrelevant—unions

BY CHRISTIAN TYLER, LABOUR STAFF

Rail union leaders made it clear yesterday that they expected the Government to find the money to meet their claim for a pay rise of around 30 per cent. over the year, in line with settlements reached in other nationalised industries.

They rejected as irrelevant to their demands British Rail's *inability to pay*, spelt out by the Board yesterday, and described the Board's 21.2 per cent. social contract offer as "derisory."

The issues of pay determination in State-run service industries and of public sector breaches of the social contract were brought into the open as British Rail and the three unions presented their evidence to the railway industry's arbitration tribunal sitting in Westminster.

Pressing his union's case, Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, named six senior members of the TUC general council who he said had led their unions into "favourable" settlements under the social contract.

He made it clear that his members would not take anything less than other groups, even if he recommended it. The militancy of the NUR executive itself was shown recently when it came within an ace of calling a national strike as negotiations deadlocked, before agreeing to take the case to the tribunal.

With all the main evidence heard yesterday, the unions will expect a speedy report from the tribunal since the new pay rates were due to operate from last week. The tribunal has to rule also on the unions' claim for future cost-of-living protection, either by index-linking—rejected by BR—or by a commitment to reopen talks in the autumn if inflation continues at a high rate.

Quoting settlements for miners, postmen, electricity workers, doctors and civil servants, Mr. Weighell said it was "just not accepted that the yardstick for determining railwaymen's rates of pay should be related to the industry's commercial viability."

He then named the union leaders involved in "favourable" settlements who had earlier helped draw up the social contract: Mr. Lawrence Daly and Mr. Joe Gormley of the Mineworkers, Mr. Tom Jackson of the Post Office Workers, Mr. Frank Chapple of the Electricians, Mr. Hugh Scanlon of the Engineers, and Mr. Jack Jones of the Transport Workers.

Both Mr. Weighell of the NUR and Mr. Ray Buckton, of the Associated Society of Locomotive Engineers and Firemen, stressed that failure to match settlements in comparable industries would destroy the relativity won by railwaymen as a result of an arbitrated pay restructuring award last year.

Mr. Buckton stressed that although this relativity was not set for all time, it should not be upset only eight months after being established.

Both men pointed to the need for BR to pay competitive rates to attract labour, but while ASLEF is in favour of an across-the-board percentage increase, the NUR is arguing for a system of distributing the eventual award that would favour the low-paid—some of whom, said Mr. Weighell—could do almost as well on the "dole."

Much of the unions' case was anticipated by British Rail, which gave evidence first. Mr. Bert Farrimond, BR's chief negotiator, said the offer, which exactly compensated railwaymen for the past year's cost-of-living increase, was not untypical, despite the publicity given to some big public sector deals.

In the past the Board had sometimes said it would have liked to offer more if it had been able to afford it. "But," he added, "the case to-day is different; the Board certainly has severe financial constraints and these have conditioned the offer more, but the Board asserts that the offer is adequate in the circumstances."

The BR offer was "serious and sensible," he said. The fact that miners had again in 1975 had "exceptional treatment" did not oblige the Board to match the miners' latest increases.

The offer rejected by the unions, costing an extra £51m. a year, is made up of £4.40-a-week threshold money already paid which would be consolidated into basic rates, plus "new money" rises of £1.05 to £5.80 a week.

The minimum rate of £25.65 would thus rise to £31.10, and the top signalman's rate would go up from £48 to £58.20.

Teachers' pay award goes to arbitration, Page 10

Shore oversteps Wilson guidelines on referendum

BY JOHN BOURNE, LOBBY EDITOR

MR. PETER SHORE, the strongly anti-Market Secretary for Trade, yesterday blatantly broke the Prime Minister's guidelines for the Parliamentary conduct of Ministers before the EEC referendum.

This was the first occasion a senior Minister has done so since Mr. Eric Heffer spoke against the Government in the recent Commons debate and was immediately dismissed by Mr. Wilson.

Mr. Shore was criticised at Westminster for the way in which he answered trade questions in the Commons yesterday.

He was attacked in particular for his remark: "When I am speaking from the Dispatch Box of course I reflect Government's policy as a whole—except when I am clearly reflecting my own policy."

Mr. Wilson's guidelines were laid down on April 9. Their key passage was: "This freedom (to differ from the Cabinet's majority decision to recommend continued membership of the Common Market) does not extend to Parliamentary proceedings and official business. Government business in Parliament will continue to be handled in terms in accordance with Government policy.

"Ministers responsible for EEC aspects of Government business who differ from the Government recommendation on membership will state the Government's position and will not be drawn into making points against the Government's recommendation. Where necessary questions will be transferred to other Ministers."

Deficit

Answering questions Mr. Shore said that 99 per cent. of Britain's non-oil trade deficit was now attributable to the EEC; later he listed some of the benefits a free trade area arrangement with the EEC would have for Britain.

And he told Mr. Neil Marten, the staunch Conservative anti-Marketeer, that there was no doubt that Britain's deficit with the EEC had substantially worsened since Britain's entry.

Reminded by Mr. Marten that the 1971 White Paper had predicted that entry would have a "positive and substantial effect" on our trade balance, Mr. Shore replied lightly: "I find the more extreme faith of pro-Marketeers very difficult to take seriously at all."

Mr. Shore's performance is certain to be drawn to the attention of the Prime Minister when he returns from the Commonwealth conference in Jamaica, but few Labour MPs expect that Mr. Wilson will take as hard a line against Mr. Shore as he did against Mr. Heffer.

Last night Mr. Heffer commented on Mr. Shore's performance: "Three cheers. I am delighted someone has come out at last against the guidelines. The whole thing is absolutely farcical."

In the Commons Mr. Terence Higgins, Conservative spokesman on trade, accused Mr. Shore of blatant innuendo and added that this was one of the sensitive type of questions that should have been transferred to the Foreign Office under the Prime Minister's guidelines.

But the Speaker refused to allow this and other Conservative points of order

Referendum News, Page 14

SKF in £10.4m. agreed bid for Sheffield Twist Drill

BY DAVID BELL

SHARES in Sheffield Twist Drill and Steel, the largest U.K. manufacturers of high-speed steel cutting tools, rose 26p yesterday after SKF, the Swedish bearing company, disclosed that it is making an agreed bid of £10.46m. for the company.

The deal is SKF's first major acquisition in the U.K. since its attempt to buy the Ransome and Marles bearing company was effectively blocked by the IRC in 1969.

It is subject to the approval of both the Department of Industry and the Office of Fair Trading, which could recommend that it be referred to the Monopolies and Mergers Commission. Both departments said last night that they were studying it.

If the takeover is allowed, the new company will be one of the largest in Europe in the specialised, but very important, market for high-speed steel drills and other tools. STDS has 35 per cent. of the U.K. high-speed steel drill market and exports more than 40 per cent. of its £13.7m. turnover.

It announced pre-tax profits of £1.85m. for the year ended December 31, 1974.

SKF, which already has a turnover of some £50m. in Britain, has guaranteed the jobs of the 2,500 employees of STDS. It plans to integrate the company with its own high-speed steel cutting tool subsidiaries in order to benefit from the longer production runs and other production control advantages that will result.

It also plans to inject fresh capital into STDS, which is in the middle of its own development programme.

SKF is offering 77½p for each of STDS's 13.5m. 20p Ordinary shares. The Sheffield company's shares opened yesterday at 49p before climbing sharply to close at 75p. SKF was advised by Hill Samuel and STDS by Lazards.

News Analysis, Page 7
See Men and Matters, Page 18
Lex Back Page

For latest Share Index 'phone 01-246 8026

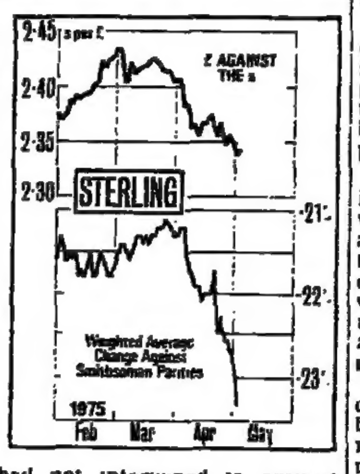
Pound touches another new low

BY MICHAEL BLANDEN

THE POUND slipped to another new low yesterday against other major currencies.

The effective rate—the average depreciation from the levels of December, 1971—widened again to 23.3 per cent. at the close, compared with 23.1 per cent. on Friday.

The exchange markets, however, were relatively quiet, with dealers reporting modest selling of the pound. The market suggested that the Bank of England



had not intervened to prevent the further fall in the value of sterling.

Against the dollar, the pound improved to end at $2.3415 for a rise of 40 points compared with Friday. The dollar's overall depreciation from December, 1971, levels, however, as calculated by Morgan Guaranty Trust in New York, narrowed slightly from 6.79 per cent. to 6.72 per cent. and does not reflect fully the later weakness of the dollar in Europe.

The further fall in the pound's effective rate continues the declining trend of the past two weeks or more. It reflects continued uncertainty in the exchange market over the U.K. economy and the impact of the Budget, as well as concern over the result of the EEC referendum.

The pressure has continued in spite of last week's statement by Mr. Denis Healey, the Chancellor, that he did not want to see any further depreciation of the pound.

Nevertheless, Friday's signs of considerable activity in the market did not appear to develop yesterday into any heavy pressure on the sterling rate. So far, the authorities have seemed to confine intervention to steadying the rate when it has been under pressure.

£ in New York

	May 5	Previous
Spot	$2.3395-3405	$2.3340-3350
1 month	1.46-1.41 dis	1.55-1.50 dis
3 months	3.70-3.65 dis	3.65-3.63 dis
12 months	12.85-12.70 dis	12.70-12.60 dis

BSC labour cuts rejected by unions

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE TUC steel committee yesterday rejected the British Steel Corporation's plan to reduce its labour force by up to 22,000 and also refused to agree to the suspension of the industry's guaranteed week arrangement. Instead, the committee's members are to put forward counter proposals at a further meeting between the two sides on May 19.

Nevertheless, although leaders of the 17 main unions in the industry adopted an uncompromising stance, it appears that they were genuinely impressed by the seriousness of the Corporation's financial position.

It is estimated that the BSC is now losing around £2.5m. a week. With little likelihood of a major improvement in demand, the Corporation could, therefore, end the current financial year with a deficit of over £200m. unless it is allowed to cut costs, as it still has to reach a settlement on wages.

In a sense, yesterday's round of talks—involving meetings between, first, the BSC management and the TUC steel committee, and, later, the committee and Mr. Anthony Wedgwood Benn, Secretary for Industry—were inconclusive.

But there were important developments in the debate over the BSC's plans for holding down costs:

1—The BSC finally confirmed that it wanted to reduce manning levels by up to 22,000 over the next two or three months. Some 75 per cent. of the figure would be achieved through redundancies and the rest through natural wastage.

2—Sir Monty Finniston, the corporation's chairman, produced a measured reply to the four questions put to him by Mr. Benn on manning in the steel industry and the relationship between the Government and the BSC management.

3—While rejecting the corporation proposals, the unions appear to be prepared to work out an alternative. This would presumably include the possibility of work-sharing, although this would only be possible if the unions agree to suspend the guaranteed week.

Under this guaranteed week arrangement, workers are paid 80 per cent. of their normal earnings, irrespective of production levels.

The BSC's annual round of pay negotiations resumes next week with discussions on a demand for "substantial" increases plus a cost-of-living threshold arrangement for 10,000 craftsmen. Blastfurnacemen and process workers are also about to open negotiations for increases payable from next month.

In the detailed proposals put to the TUC steel committee, and rejected, the corporation makes it clear that its general intention is to load its lowest cost plants, transferring work from the high-cost works.

The two divisions worst hit by the recession, general steels and strip mills, would bear the brunt of this policy. Employment in general steels would be reduced by a minimum of 7,500 and this could rise to 10,000, while strip mills would shed between 9,000 and 10,000 workers, including staff and senior management.

Another 2,000 jobs would probably go in the less affected divisions, tubes and special steels.

The effect of the BSC's plan in the general steels division in Scotland would be to close Clyde Iron Works, the Clydebridge and Lanarkshire open hearth plants and the Clydebridge slabbing mill. There would also be a cut at the Dalzell open hearth melting shop. Between 3,500 and 4,000 Scottish steel jobs would go.

Editorial comment, Page 18

In the same division, iron and steel making would also close at Shelton, in Staffordshire, while iron and steel making would be reduced at East Moors, Cardiff, to support reduced billet production.

The Teesside and Workington Group would reduce iron and steelmaking and mill shifts, as appropriate, and there would also be reductions in shift operations at the plate mills at Clydebridge, Dalzell, Consett and Hartlepool.

Finally, the BSC would reduce the number of shifts worked at billet mills at Consett, East Moors and Glengarnock.

In the corporation's strip mills division the general intention is to load the BSC's Port Talbot and Llanwern works in South Wales, and for Ravenscraig to supply the general steels division in Scotland with ingots and slabs.

At Ebbw Vale in South Wales iron and steel making would close, together with the slab mill there, the hot mill, a four-stand cold mill, the old pickle line and the No. 1 galvanising line.

These plans of the BSC management's, confirming the worst fears of the unions, were outlined by Mr. Bob Scholey, the corporation's chief executive, after the meeting with the TUC steel committee.

Mr. Scholey emphasised that although the unions had been promised that the plants affected by the corporation's proposals would be re-opened when the recession was over, they had also

Continued on Back Page

LOMBARD

'Unseen Force' of another kind

BY C. GORDON TETHER

WHAT, do you suppose, would happen if it were to be announced that Mr. Wedgwood Benn, our controversial Minister for Industry, was to attend a meeting of the hierarchy of the Communist world for "completely private talks on world problems"—talks that would be conducted in such secrecy that *what he said to them and they to him would never be disclosed?*

Could we not expect banner headlines imputing that the arch-enemy of capitalism—as his critics now like to portray him—was plotting a further extension of his campaign to socialise Britain in collaboration with foreign interests that had anything but the interests of the British people at heart?

If you believe—and there is no reason why you should not—that such a reaction would be entirely appropriate, there is another question you might like to consider. Why did nothing but the most profound silence greet the recent announcement that the Chancellor of the Exchequer, Mrs. Thatcher and Sir Gordon Richardson, the Governor of the Bank of England, were engaging — in company with a handful of British banking and industrial chiefs—in "completely private talks on world problems" with the top-most brass of the international business community — the super-capitalists belonging to the so-called Bilderberg organisation.

The critics

It would, of course, be ridiculous to suggest that no one should ever be allowed to engage in private discussions at international level about world problems. But when people of such importance in our affairs as Mr. Healey, Mrs. Thatcher and *Sir Gordon Richardson are saying things at an international gathering that they are not prepared to divulge to the home side*, the nature of that gathering takes on a special significance. And it has to be recognised that it is not everywhere accepted that the annual Bilderberg conferences are the innocent "think tank" exercises they purport to be.

Thus, according to its critics, the Bilderberg organisation exists primarily to promote the collective interests of the capitalist "dynasties" that nowadays play such a large part—directly and indirectly—in the ordering of economic life in the world in general and the U.S. and other industrialised countries in particular. And the real purpose of these annual get-togethers, it is claimed, is to decide on the most suitable collective action these "dynasties" can take to advance their cause in the ensuing year.

It is on the basis of such "reasoning" that the Bilderberg meetings are sometimes represented to be a form of international conspiracy by, for example, such bodies as the Liberty Lobby—an American *organisation that has set itself* the task of seeing that the light of day penetrates more deeply into the darker corners of U.S. life.

Such charges obviously cannot be proved or disproved so long as the whole business is so much in the nature of a closed book to the outside world. But what cannot be denied is that, if Bilderberg is not a conspiracy, it is conducted in such a way as to give a remarkably good imitation of one.

Until very recently, immense efforts were made to ensure that the outside world did not even know that the annual meetings were taking place—and they have been going on since the 1950s. And though this information is now provided when they are just about to begin, the determination to conceal from the outside world what actually takes place at them remains as firm as ever.

Unseen forces

It would be impossible to be happy at any time about the presence at such clandestine meetings of people playing a prominent part in shaping Britain's affairs. And this is *particularly so* at the present time. We are, after all, being positively bombarded with talk about behind-the-scenes manoeuvring, inspired in greater or lesser degree by Left-wing international *forces* of a highly distasteful kind and aimed at changing the face of our society *against the wishes of the mass of* the people.

What proof have we, as things stand, that the Bilderberg meetings are not concerned with the promotion of different forms of internationalism that the British people would have equally good reason to disapprove of? So would the public not be altogether entitled to resent the participation in such affairs of people who are supposed to be accountable to them but are attending on conditions that make it impossible for them to be so.

And is it not entirely inappropriate for those who complain so much about the activities of the "unseen forces" in our lives to be seen identifying themselves with the activities of an organisation that is—*so far as* the outside world knows—in this very category.

RACING — BY DOMINIC WIGAN

'Legionnaire' for consolation

ON THE strength of his gallant run in the City and Suburban Handicap, in which he narrowly failed to hold Swell Fellow, *Mon Legionnaire* has been made a firm favourite for to-day's Ladbroke Chester Handicap (3.15), and the sponsoring firm's action in making Nick Vigors' colt a 9-4 market leader seems wholly justified.

Mon Legionnaire, who was caught only in the final two or three strides of the City and Suburban, in which he appeared to have an unassailable lead a furlong from home, has been set to carry only 8st this afternoon, and at the weights it will be something of a surprise if he fails to deal with his eight opponents, best of whom could well be Pee Mai.

Pee Mai, who like Mon Legionnaire has already won twice here, made little show on his seasonal debut in the Liverpool Spring Cup a month ago. Nevertheless he, too, is well treated with 8st 8lb., and I expect Pat Eddery to get the best out of him.

If there is to be a major surprise I expect Dance All Night to be the cause. Bill Elsey's progressive Double-U-Jay filly did well to successfuly concede 17 lb. to Kenco in the competitive one-mile Newby Handicap at Redcar recently, and she may well have a good deal of further improvement in her.

Whatever his fate on Pee Mai, I shall be surprise if Eddery fails to land one winner, for the

CHESTER
2.15—Proud Felix***
2.45—Morning Song
3.15—Mon Legionnaire**
3.45—Consol*
4.15—Sindab
4.45—Tribal Feast

WINDSOR
6.00—Hey Presto
6.30—Haut Girl
7.00—Caspardale
7.30—Fruits of Love
8.00—Tudor Flame
8.30—Space Leader

Seven Barrows-trained *Consol* appeals as the likely answer to the Chester Vase (3.45).

Consol, a compact Reliance II colt, who seems sure to be ideally suited to this sharp, almost circular, track, showed himself to be a talented juvenile last season when gaining easy successes at Newbury and Newcastle. He took little time returning to winning form this term, taking Sandown's one-and-a-quarter miles Classic Trial Stakes comfortably from Black Rhino on his reappearance.

Taking up the running just inside the two-furlong marker there, Eddery's mount had to be pushed out only with hands and heels to beat Black Rhino, whom he was meeting on level terms, by two and a-half lengths. On identical terms to-day Consol should again comfortably confirm his superiority over the runner-up.

An hour before he sends Mon Legionnaire out for the Chester Handicap, Nick Vigors saddles his easy Chepstow winner, *Proud Felix*, for the Lily Agnes Stakes (2.15). This bay St. Alphage colt, who followed up his Chepstow win by running that fast colt Hiliarchos to four lengths in the competitive Sandown Park Stakes, can regain winning form by outpacing Miss Kissfield.

There have been few more successful Chester specialists in recent years than the Newmarket trained Happy Victorious, and although Doug Smith's charge is now eight years old, it will not come as a surprise if he gains his fifth course and distance victory in the seven-and-a-half-furlong Earl of Chester Handicap (4.15). On this occasion, however, I believe the concession of 10 lb to the recent Thirsk winner, *Sindab*, will just prove beyond him.

SALEROOM — BY ANTONY THORNCROFT

A choice of paperweights

A SUCCESSFUL sale of glass paperweights at Sotheby's yesterday totalled £39,963. It is a fairly specialised market, protected from the fiercest foibles of fashion, but even so English paperweights have suffered a reverse in price over the past year while the more desirable French have maintained their value.

The top price of £2,150 (above estimate) was paid by Batisle for a Clichy flat bouquet weight, showing three double clematis. Another Clichet weight on a basket ground went to Rimet for £1,600 (at the lower end of its estimate), and a very rare Baccarat animal weight, with a stag silhouetted against clear glass, sold to Tillman for £1,500, at the bottom of its forecast.

A rare Baccarat bi-colour pom-pom weight showing a dahlia, a floral novelty in the 1840's, went for £1,400 to Spink—a similar weight had sold at Sotheby's for £1,350 five years ago. On the other hand, a Baccarat turquoise carpet ground weight of 1848 made a handsome £1,400 yesterday as against £780 for a similar weight in the 1970 sale.

At Phillips, the surprise of the day was provided by an 18th Century painting of figures at a well, catalogued as Italian School. It had been forecast to fetch £600-£800, but was bought by Amell for £4,800, probably because there was a feeling that it could be the work of Domenico Tiepolo, the son of the famous Tiepolo. The sale *totalled £15,066.*

In a sale of watches, which realised £20,925, Asprey paid £3,700 for a pocket chronometer (an attempt at an accurate watch), made by Wright of London in 1784.

Chinese jade was one of the main sufferers in the collapse of the fine art market last autumn, but there were signs of a revival at yesterday's sale at Christie's. Prices had been cautiously forecast, but all the top items were around and above the target. The sale totalled £27,040.

The best price was the £2,940 (at the top of the estimate) paid by a buyer from Los Angeles for a Ch'ien Lung mottled pale celadon and beige jade carving of a recumbent Buddhistic lioness and her cub. A translucent pale celadon jade ewer and domed cover went for £2,520 to a private foreign buyer, and an 18th-century pale celadon jade carving of Kuan Yin sold for £2,310, also privately.

Indeed, a feature of the sale was the attendance of overseas collectors from the U.S., the Far East and the Middle East. Prices for snuff bottles were less exciting, but there was nothing of great quality *on offer*.

At Sotheby Parke Bernet in New York on Friday, a new world record was set for a Persian manuscript. A New York dealer paid $250,000 for a manuscript, dated 1599, of Shah Nameh Firdausi. It contains 44 full-page miniatures.

AMSTERDAM WINS SE CHESS MATCH

Amsterdam stock exchange chess club was the winner of the 39th annual match with London SE, held in London.

The score was 9½—6½ in spite of the efforts of Mr. R. G. White (Kemp-Gee) and Mr. S. G. Kent (Castello Parsons), who won both their games, and Mr. F. Parr (Nivison), who scored 1½ to ½ on the top board against Mr. W. J. Wolthuis.

WINE

Problems posed by EEC

BY EDMUND PENNING-ROWSELL

WITH THE EEC wine lake going up in smoke—distillery smoke—at a time when every aspect of our relationship with the Common Market is under the closest scrutiny, it is appropriate to consider how we have fared under the EEC wine regime. For among the inducements held out to us before entry in January, 1973, was of wine "at the prices that the French and Italians pay."

For duties were to be "harmonised" throughout the Community, and as our Continental friends were clearly not going to pay our high rates, for us this implied a sharp reduction. True there was the shadow of VAT, but then we should be in on the negotiations, and anyhow it shouldn't seriously affect the vin ordinaire that most of us were looking forward to drinking twice daily.

Impact of VAT

Well, it hasn't quite worked out like that. Certainly we had an agreeable surprise initially, when, after centuries, the old inflexible duty rates irrespective of quality were *somewhat* reduced in importance and a 10 per cent. VAT introduced. This meant that lesser wines became cheaper, finer more expensive. The break-even point was £1.30 a bottle. Though this was still far from the level of ordinary wine prices in France and Italy, it was a start, with the result of a swift rise in consumption here, and hopes of better things to come.

However, a year later these hopes were dashed when the Chancellor in his March, 1974 Budget put 10p a bottle duty on wines and 20p on spirits. And now the heavy increases in duty in last month's Budget must surely have put paid to any hopes of "harmonisation." For even the most modest bottle of table wine now carries a duty of nearly 50p plus VAT. Maybe imports from our Market partners must be discouraged—and certainly they will be—but this is scarcely in the family spirit.

Furthermore, although it has been argued hopefully that our accession, together with other consumer countries, would change the balance within the Market from largely reflecting producer interests to those of consumers, so far that doesn't seem to have turned out as predicted either. In particular the French wine growers and authorities seem to have got their way—and even now we are contributing to the distillation of Midi wines that should never have been made.

The French authorities have achieved their long-desired aim of obliging us to accept their full *appellation contrôlée* system, which certainly has considerable merits, particularly for the finer wines, but at some of the lower levels casts an aura of quality and respectability on wines that often do not deserve it.

The same is true of the Italian *Denominazione di Origine Controllata* (DOC) project, whose proliferation of wines accepted for this distinction—158 since *DOC started in 1966, and 18 last* year—has tended to depreciate its reputation. But then both systems were devised primarily for the benefit of the producers, not the consumers. Moreover, our accession has resulted in a vast amount of additional paperwork that has proved a headache to the trade here, while the imprecise and often incomplete way in which regulations flow out of Brussels leave all concerned in a state of uncertainty—not to mention the lobbying that is part of the Brussels way of life.

Clock turned back

Then there is the bureaucracy. Whereas it is only fair to record that in recent years our own *Customs* and Excise have become increasingly flexible in their control over imported wines and spirits, the Brussels regime has certainly turned back *this* particular clock.

The EEC section in the last report of the Scotch Whisky Association begins: "The second year of the U.K.'s membership of the EEC has seen further attempts to extend bureaucratic involvement in many aspects of the *industry's* affairs." In particular this refers to the projected alcohol regime and the formation of a Common Market organisation for alcohol and alcoholic beverages. Apart from the possibility of having to pay more for maize produced within the Community than from outside it, the Scots are affronted by the threat that grain whisky will be classed as just alcohol and not as eau-de-vie.

Furthermore the speed with which the recent Franco-Italian wine *row* was settled must be compared with the extraordinary lack of action against the Italians who last September clapped a crippling 30 per cent. VAT on grain cereal spirit imports, that is, whisky, but retained the normal 12 per cent. on grape spirit, that is, bandy. In spite of the incensed representations of the Scotch distillers, to whom Italy has become an increasingly important market in recent years, this discrimination has now been going on for the better part of a year. Yet had Mr. Healey in his last Budget dared to impose a higher customs duty on cognac and armagnac than the excise duty placed on Scotch, the hot line between the Elysée and Downing Street would certainly have grown hot within minutes of the announcement.

Then, if the wine lake continues in Europe—for, in spite of the Commission's recent assurances, altering the balance of viticulture is a long job—will substantial duties be raised against third-country wines and *fetter* our traditional wealth of wine choice? We, along with Germany, are large importers from Spain, Portugal, Yugoslavia and other Mediterranean producers of table wine (a name, incidentally, that we may not now use except for branded wines). We also import from the Commonwealth. This is of no concern to the dominant producers; for, specialities apart, few Frenchmen or Italians have any desire to drink other than their local wines.

The Americans have been quick to protest against the use of such discrimination. With California wine production developing splendidly in recent years, there might be a growing demand for it here, price permitting. Yet according to Jefferson E. Peyer of the San Francisco Wine Institute the EEC "have erected what is perhaps the most pervasive scheme of barriers against imported wines with an admittedly protectionist purpose. The Americans complain about the necessity for import licences for each individual shipment, demands for chemical analyses, insistence on EEC approval of varietal designations and imposition of oenological regulations based on arbitrary designations."

Different scene

If the EEC cannot be directly blamed for the recent growth of vineyards, notably in Italy, the two main wine-producing … can. Two years ago I asked an ambitious Sicilian wine merchant if he was confident of the sale of the wine from the new vineyards to be seen widely in the island. "Of course," he replied, "there is a 15 per cent deficiency within the Common Market." Today he may well be thinking rather differently.

If the wine lake continues, rather than turn it into alcohol for which there is no real need, perhaps we ought to re-consider the decision not to sell it to the Russians. For they can blend poor, 7½-degree stuff with Algerian wine, which we may … Even if a subsidy were needed initially, it might create a precedent and a thirst among Russians, whose demand for wine is rising fast. And wine is surely an instrument of détente …

TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 12.30 p.m. Digon o Ryfeddod. 12.55 News. 1.00 Pebble Mill. 1.45 Ring-a-Ding. 1.50 Thomas. 2.02 For Schools, Colleges. †3.58 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.30 Pixie and Dixie. 4.35 Jackanory. 4.50 Valley of the Dinosaurs. 5.15 Animal Magic. 5.40 Magic Roundabout.
5.45 News.
†6.00 Nationwide.
6.50 The Little House on the Prairie.
7.40 The Italian Way.
8.10 The Rockford Files.
9.00 News.
9.25 Scenario: The Peace Game.
11.00 Midweek in Japan.
†11.28 Regional News.

All regions as BBC 1 except at the following times:

Wales—5.15-5.40 p.m. Bilidowcar. 6.00-6.50 Wales To-day. 6.50-7.10 Heddiw. 7.10-7.40 Hyn o Fyd. †11.28 News of Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.00-11.50 Churchill's People followed by Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. †11.28 Northern Ireland News Headlines.

England—6.00-6.50 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
2.00 p.m. Racing from Chester.
†5.00 Open University.
6.40 Managing to Survive.
7.05 Open University.
7.30 Newsday.
7.45 The Book Programme.
8.10 Je Suis Hopeful: The theatre of Jean-Louis Barrault.
9.00 Images of Childhood: "Hugo and Josefin."
10.20 Georges Brassens at the Sherman Theatre, Cardiff.
10.45 News Extra.
11.15 Closedown: Bernard Hepton reads "Adlestrop," by Edward Thomas.

LONDON

9.30 a.m. Schools Programmes. 12.00 Pipkins. 12.15 p.m. King Wilbur III. 12.30 West Country Fare. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Rooms. 3.00 Pathfinders. 3.55 There Goes That Song Again. 4.25 Shang a Lang. 4.50 How. 5.20 The Flintstones.
5.50 News from ITN.
6.00 To-day.
6.25 Crossroads.
6.50 Tuesday Star Movie: "Mister Moses," starring Robert Mitchum and Carroll Baker.
9.00 Edward the Seventh.
10.00 News.
10.30 To Be Seven In Belfast . . .
11.30 Checkmate.
12.00 Ideas In Print.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.00 Randall and Hopkirk (Deceased). 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon. 7.15 Mystery Movie: McMillan and Wife. 11.30 Reflection.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. †3.00 The Saint. 5.20 The Partridge Family. 6.00 ATV Today. 7.00 Cartoon Time. 7.10 Tuesday Mystery Movie: "Brock's Last Case," starring Richard Widmark. 11.30 The Twilight Zone.

BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 3.00 The Japanese Experience. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 7.30 Cartoon Time. 7.35 Mystery Movie: "She Cried Murder," starring Telly Savalas. †11.30 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 3.00 The Japanese Experience. 5.20 Sports Quiz. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 Mystery Movie: McMillan and Wife. 11.25 Commentaires et Prévisions Météorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Houseparty. 3.00 Randall and Hopkirk (Deceased). 5.20 Shang a Lang. 6.00 Grampian News. 6.10 Anna and the King. 7.00 The Jim MacLeod Show. 7.30 Cartoon Time. 7.35 TV Movie: McCloud. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †3.00 The Judy Garland Show. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.05 Here's Lucy. 7.35 The Suspense Movie: "Man of Many Faces," starring Susan Strasberg. 11.30 Wrestling.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.00 World Ice Skating Gala. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Protectors. 7.05 Winner Takes All. 7.35 The Tuesday Western: "Raw Edge," starring Rory Calhoun and Yvonne de Carlo. 9.00 Edward the Seventh, starring Annette Crosbie and Timothy West in "The Invisible Queen."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.35 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.18 Y Dydd. 7.05-7.35 Sale of the Century. 10.30-11.15 Ar Brawf. 11.15-11.45 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 3.00 Jason King. 4.25 Elephant Boy. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland To-day. 6.30 University Challenge. 7.00 Wait Till Your Father Gets Home. 7.30 Feature Film: "Gorilla At Large," starring Cameron Mitchell. 11.30 Late Call. 11.35 Wrestling.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 3.00 Peggy Fleming Visits the Soviet Union. 5.20 Dodo. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 The Tuesday Film: "Kid Galahad" starring Elvis Presley. 11.30 Wrestling. 12.15 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 2.00 p.m. Houseparty. 3.00 The Japanese Experience. 5.20 The Addams' Family. 6.00 Today at Six. 7.00 New Who Do You Do? 7.30 Betty Boop (cartoon series). 7.35 McCloud. 11.30 Late News Extra. 11.35 Thursday Is Ascension Day.

ULSTER

1.20 p.m. Ulster News Headlines. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 UTV Reports. 7.00 Bridget Loves Bernie. 7.30 Tuesday's Film: "Easy Money" starring Dennis Price and Jack Warner.

WESTWARD

12.15 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.00 The Japanese Experience. 5.20 Sports Quiz. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 Mystery Movie. McMillan and Wife. 11.27 Westward Late News. 11.30 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.00 The Japanese Experience. 5.20 The Addams Family. 6.00 Calendar. 7.00 New Who Do You Do? 7.30 Betty Boop. 7.35 McCloud. 11.30 You And Your Golf.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including Top 30 discs and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Alan Freeman: Youth Club Call from The Ballard Centre, Plymouth. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) with The Early Show. 6.15 Pause for Thought. 7.02 Terry Wogan; 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Cricket Scoreboard. 7.32 Sing Something Simple (S). 8.02 The Musical World of George Martin with the BBC Radio Orchestra (S). 9.02 The Impresarios. 10.02 Sports Desk. 10.05 Colin Berry (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: Scarlatti and Boccherini. 9.45 Academy of the BBC (S). 10.45 Mendelssohn's Piano Music (S). 11.35 Psalm Settings from Northern Europe (S). 12.30 p.m. Cardiff Midday Prom: Mozart, Walton (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Concert part 2: Beethoven, Hindemith (S). 2.05 Music In Our Time: (S). 3.25 Melody (S). 4.25 Beethoven String Quartet in F minor, Op 95 (S). 4.55 Jazz Today on records (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study on 3. 7.30 Mozart: part 1, Piano Concerto No. 19 in F (K 459) (S). 8.00 Jacob Bronowski (1908-1974) in conversation. 8.20 Mozart part 2: Requiem (S). 9.30 Conversation With A Cupboard Man (S). 10.20 Georges Enesco: (August 1881-May 1955)—records of the Romanian violinist, composer and teacher playing Bach. 10.55 Jazz in Britain (S). 11.25 News.

Radio 3 VHF only—6.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45-7.50 Thought for the day. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk. 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (2 from 9.20). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Celebration (Leonard Sachs). 11.45 James Cameron. 12.00 News. 12.02 You and Yours. 12.27 Dad's Army. 12.55 Weather, programme news, VHF (except London and S.E.) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (2 from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Broome Stages. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News, Weather. 5.55 Weather, programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News Desk. 7.30 Mozart: Piano Concerto No 19 in F (K 459) (as Radio 3) (S). 8.00 Jacob Bronowski (As Radio 3). 8.20 Mozart Requiem (As Radio 3) (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night: Radio 4's International Business Report: Market Trends. 11.15 To-day in Parliament. 11.30 News.

For Schools: VHF only—9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.34 London News Desk. 1.08 Call In—2. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Lobby. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

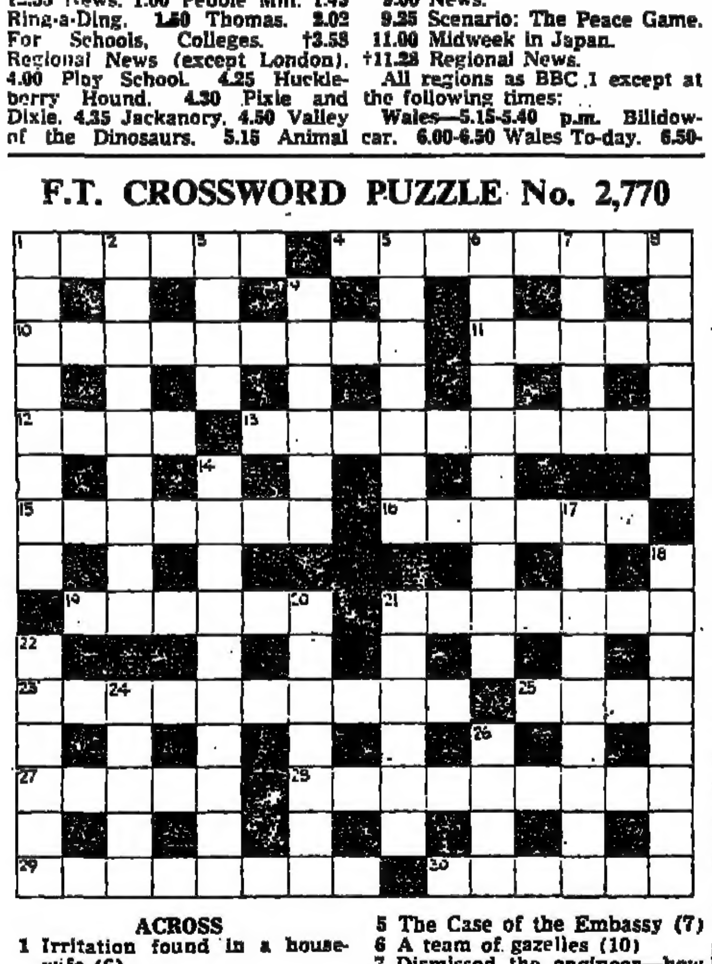
6.00 a.m. "A.M.": News, interviews, traffic and travel news, plus sport, with Douglas Cameron and Clive Roslin. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 London Matters—focus on the Boroughs with phone-in. 9.00-1.00 a.m. Love in London, presented by Adrian Love.

Capital Radio

194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel, with music, features, advice and swopshop. 12.00 Cash on Delivery with Dave Cash and Music. 3.00 p.m. Roger Scott with Music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's Rock Show. 11.00 Tony Myatt's Late Night on Capital. 2.00 a.m. Night Flight.

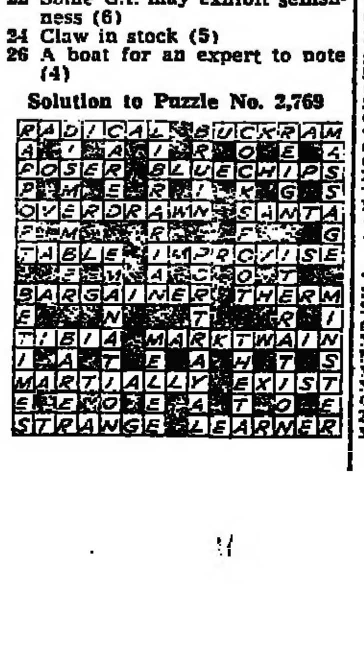
F.T. CROSSWORD PUZZLE No. 2,770



ACROSS
1 Irritation found in a housewife (6)
4 Permit an after dinner request (8)
10 Diehard determination of the snob (2, 3, 4)
11 Early or rather not quite (5)
12 Part of the natural mountain range (4)
13 Record on canvas causes dissatisfaction (10)
15 Confidential soldier (7)
16 "Then soon with the — of truth overflowing" (S. Woodworth) (6)
19 The virgin makes a match before fifty (6)
21 The Kop isn't to become a blot (7)
23 We are asked to act like little pigs — isn't it common? (2, 2, 6)
25 Short wave (4)
27 It is the religion one has to beat (5)
28 Suspects confidence in a young girl (9)
29 Some skirts annoy the clergy (8)
30 Thinner on top? Dash it, that's nonsense (6)

DOWN
1 An unsuitable declaration (2, 6)
2 Respite, but not for the footballer (5, 4)
3 National 16 sounds in need of a plug (4)
5 The Case of the Embassy (7)
6 A team of gazelles (10)
7 Dismissed the engineer—how strange (5)
8 Have a meal in an endeavour for peace (6)
9 Artist with the grape to gorge (6)
14 Entertainments have no buffoon in short trousers (10)
17 Uttered with all speed (9)
18 Aerosol particle found on the river (8)
20 We look to Leeds for a harness-maker (7)
21 "That rots itself — on Lethe's wharf" (Hamlet) (2, 4)
22 Some G.I. may exhibit selfishness (6)
24 Claw in stock (5)
26 A boat for an expert to note (4)

Solution to Puzzle No. 2,769



CONTRACTS AND TENDERS

SUDAN RAILWAYS

STORES DEPARTMENT

Contract No. 4848

SUPPLY OF:
A)—V.H.F. RADIO TELEPHONE EMERGENCY SYSTEM BETWEEN LOCOS AND STATIONS.
B)—M.F. RADIO TELEPHONE COMMUNICATION SYSTEM BETWEEN DISTRICT CENTRES AND HEADQUARTERS.

NOTICE

Controller of Stores, Sudan Railways, Atbara, invites tenders for supply of A)—V.H.F. Radio Telephone Emergency System between Locos and Stations. B)—M.F. Radio Telephone Communication System between Centres and Headquarters.

Details, specification and relevant drawings can be obtained from the Office of Controller of Stores, P.O. Box 65, Atbara, or from the Office of Storekeeper i/c., Catering Stores, Khartoum, on submitting a written application bearing 30 m/ms stamp duty and payment of Ls 20,000/ms for one complete set of details, specification and drawings.

All tenders shall be opened publicly at the prescribed place, date and hour and the prices of each tender shall be read aloud.

The closing date fixed for acceptance of tenders in this office is Tuesday 17th June 1975 at 12:00 hours noon.

OFFICE OF CONTROLLER OF STORES

SUDAN RAILWAYS

STORES DEPARTMENT

Contract No. 4847

SUPPLY OF ONE 65-TON RAILWAY BREAKDOWN CRANE

NOTICE

Controller of Stores, Sudan Railways, Atbara, invites tenders for supply of One 65-Ton Railway Breakdown Crane.

Details, specification and relevant drawings can be obtained from the Office of Controller of Stores, P.O. Box 65, Atbara, or from the Office of Storekeeper i/c., Catering Stores, Khartoum, on submitting a written application bearing 30 m/ms stamp duty and payment of Ls 20,000/ms for one set of details, specification and drawings.

All tenders shall be opened publicly at the prescribed place, date and hour and the prices of each tender shall be read aloud.

The closing date fixed for acceptance of tenders in this office is Tuesday 17th June 1975 at 12.00 hours noon.

OFFICE OF CONTROLLER OF STORES

COMPANY NOTICES

SWISS BANK CORPORATION
Increase of Capital

CLASSIFIED ADVERTISING RATES

	Per single column centimetre		Per single column centimetre
Appointments	£7.75	Business Opportunities	£9.50
Industrial and Business Property	£7.75	Educational	£7.75
Residential Property	£7.75	Motors	£7.75
		Hotels and Travel	£7.75

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres. Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

PERSONAL

PLANT AND MACHINERY

Coliseum

Giselle by CLEMENT CRISP

The trouble with ballet's classics is that managements and public alike view them as a kind of race in which any number of runners can be entered, whether they are ready for the course or not. Few are the dancers suited to each and every one of them, fewer still the artists who may have something fresh and revealing to say about these hallowed but wildly over-played texts. Because Valery and Galina Panov are Kirov trained, there seems to be an assumption that they can automatically be expected to shine in *Giselle*, but their appearance in Festival Ballet's handsome staging last night proved otherwise.

Valery Panov gives every sign of being a demi-caractère dancer, an artist for highly-coloured dramatic roles in which his exuberant playing will find a proper setting for its vivacity and sparkle. As Albrecht, though, his mannered, showy style constantly teeters on the edge of silent cinema emoting. Too impassioned, too operatic, his portrayal looks wilful and over-conscious of its own Romantic fervour. There are fine and compelling aspects to his playing, notably in the second act in which his reactions to the appearance of the Wili Giselle are ardently right. But rarely does his dancing suggest the nobility of the *danse d'école*; the solos are not pure enough in their exposition of the classic style, their *feats of virtuosity* seeming rather those of a dazzling character dancer.

Galina Panov's Giselle has the charm of extreme youth and a quite exceptional innocence. It is a sweetly unemphatic reading in Act 1, even in the mad-scene: in Act 2 the dances are prettily displayed, yet in neither aspect of the character is there much depth of feeling: as yet only the foot-hills of the role have been explored, and its heights remain unscaled.

As for the company performance, it was less cogent than hitherto: there were odd blank spots in the production—uncharacteristic of this most carefully considered staging—and the orchestral playing seemed ill at ease.

Mme Vera Volkova

The death of Mme Vera Volkova in Copenhagen yesterday, after a serious illness, robs the ballet world of a greatly loved and greatly revered teacher. Born in St. Petersburg in 1904, Mme Volkova was a pupil of Agrippina Vaganova, the originator of the Soviet dance style as we know it to-day, and after her departure from Russia in 1929, and her marriage to the English painter, Hugh Williams, she eventually settled in London, where her teaching swiftly won her tremendous acclaim.

After a brief stay in Milan, she moved to Copenhagen, where for the past quarter century her classes did much to extend the range of the Danish artists, and her presence attracted the greatest dancers in the West, eager to learn from this inspired and inspiring pedagogue. A woman of great charm, elegance, and the most exhilarating sense of humour, she was universally loved and respected: I had last seen her in December when Makarova and Barishnikov were dancing in Copenhagen and, naturally, taking class with her, and her brilliance and enthusiasm for life were undimmed. The world is darker, colder without her.

C.C.

Theatre Royal/New Victoria

Helen Reddy/David Gates

The Glen Campbell shows, currently going out on BBC 2, have produced a lot of heavy flack in the shape of American guest artists who, while over here at someone else's expense, find it commercially convenient to throw off a live performance or two (as opposed to a quite dead TV turn). Last week-end it was the turn of Helen Reddy at Drury Lane; this week-end David Gates just about filled the New Victoria.

They are rather similar beasts, carrying substantial, if not quite believable, reputations, which they very rarely show off in the U.K. And their concerts followed the same predictable American pattern—lots of soft soap and safe songs, performed with the quiet assurance that comes from being paid well.

Helen Reddy is the more interesting because success has not come easy to her. Still she has finally made it from Perth, Australia, to having her song "I, a Woman," chosen as the anthem for International Woman's Year.

Liza Minelli does the same act rather better, but you must admire Ms Reddy as she marches up and down the stage trying to do a Uri Geller on us. Most present did bend (though some wilted) and why not. Helen Reddy sings well, she has a comfortable appearance, which is much more interesting than stardust and glitter, and she acts out her songs forcefully.

David Gates is much more anonymous: that presumably is why he is here. It must be galling to be an accomplished singer and composer and watch idly by while non-singers get big hits with your material. David Gates wrote "Everything I Own" (for his father, so he told us) and there was Ken Boothe taking a reggae version to the top, and more recently Telly Savalas has slaughtered "If" with equal success.

Both songs have limp, but attractive, melodies and were written some time ago when David Gates was a quarter of Bread. Now he is on his own, and is rather appealing. Perhaps there were too many local references, to the Cup Final, to British Leyland, to ring true, but he is enough of a serious musician to surround himself with a highly proficient band. If your songs are insipid it is hard to come across as an earth shaking entertainer but David Gates, with his useful vocal range and fluency about the instruments, could, with a bit of toughening, make more out of music than heavy royalties from lesser artists' recordings.

ANTONY THORNCROFT

Hampstead Theatre Club

Dear Janet Rosenberg, Dear Mr. Kooning

This 75-minute one-acter is one of Stanley Eveling's more sympathetic and more accessible pieces. It is not, as it seems to be in its first five minutes, a mere exchange of correspondence between a writer and a fan. The relationship emerging from 20-year-old Janet's first gushing letters to middle-aged Alec, one of whose novels she has just swallowed whole, soon turns into fantasy.

Two fantasies, in fact, one from each side. Mr. Kooning's fantasy takes him to Janet's bedroom, where he is first offered an opportunity to make love to her mother and then, in an amusingly-written scene where every action results from a meaning quote from a letter, to a near-copulation only prevented by his own sudden feeling of overpowering old age. Janet's fantasy leads to a best-selling novel in which the hero (Alec) shoots himself in alcoholic despair.

The performances by Anna Calder-Marshall and Freddie Jones is as admirable as you would expect from those two talented players, always aware of the absurdity in their parts yet never going for easy laughs. The two characters remain as no more than projections from an imagination, so that when Miss Calder-Marshall turns into Mrs. Rosenberg for a short scene, all she does is change her frock and her make-up and lower her voice by an octave without ever pretending to be anything but a variation on Janet.

Jon Amiel is the director and John Halle has designed the divided set, Janet's room on one side, Kooning's study on the other.

B. A. YOUNG

1776 in 1976

The British side of the American War of Independence will be the main subject of a big exhibition, *1776*, to be held at the National Maritime Museum next year as part of the celebrations marking the bicentenary of the Declaration of Independence. This will be an exhibition on the scale of the Tutankhamen and Chinese exhibitions, filling the new West Wing of the Museum.

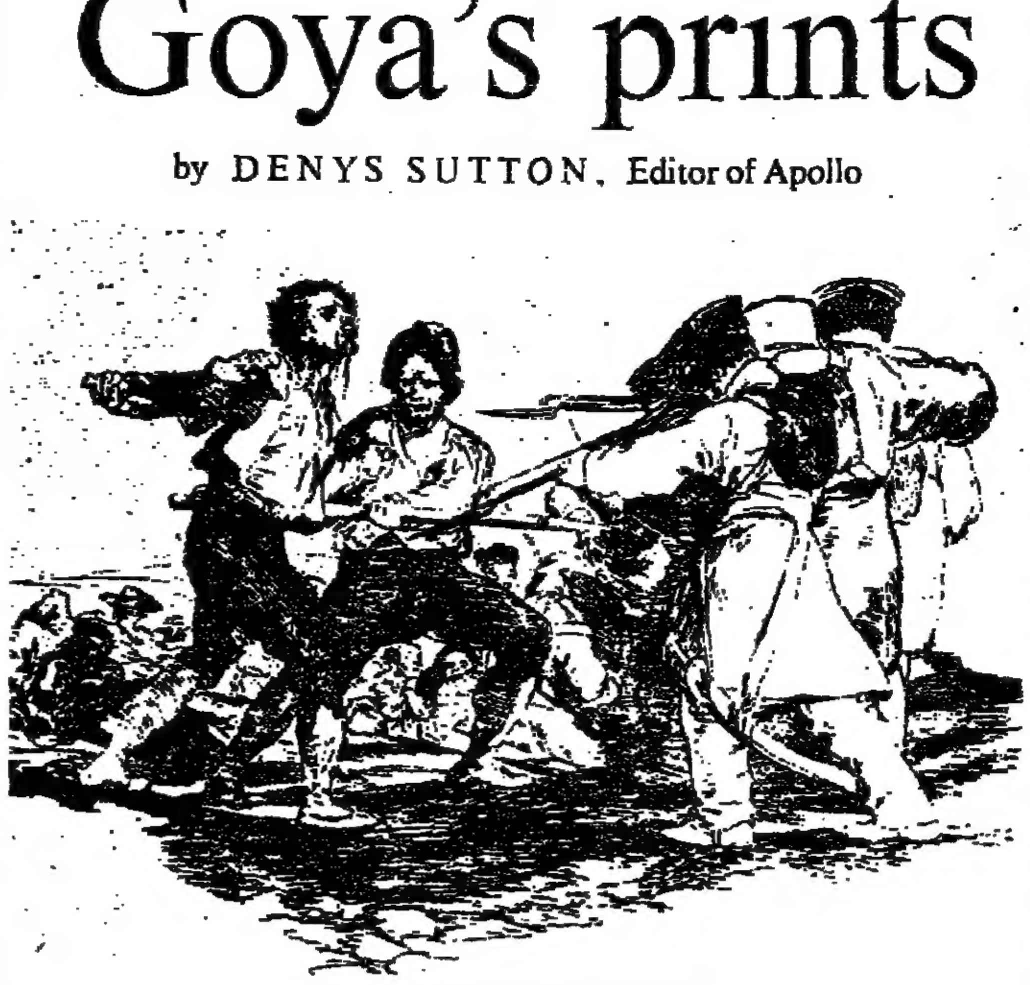
Exhibits will illustrate the activities of the British Army and the Royal Navy. Contemporary weapons and equipment will be shown from the Brunon Collection in France. There will be sections devoted to the Canadians (the "good Americans" who maintained their loyalty on the far side of the frontier) and the Indians. Battles will be illustrated in a variety of ways; the marching songs of the British and the Americans and the French and no doubt the Hessians will be recorded.

The exhibition, which is sponsored by The Times and the Sunday Times, is scheduled to open in the week before Easter next year, and to stay open until October.

Courtauld Galleries

Goya's prints

by DENYS SUTTON, Editor of Apollo



Goya: Plate 2 of the 'Disasters of War'

Any opportunity of seeing works by Goya is not to be missed. The Courtauld Galleries in Woburn Square now have on display a splendid collection of etchings and lithographs by this master which were bequeathed to it by Tomás Harris. He was the author of a major book on Goya's prints, which should be consulted by anyone eager to know more about the subject.

Goya's life spanned two worlds. He was born in 1746 and died in 1828. His art reflects the changes in mood between the rococo of the ancien régime and the romanticism of the 1820s. He witnessed the ravages of war and civil commotion in his own country and commented on such tragedies with astonishing force.

He is an artist who has a special appeal to our generation which has seen many horrors and no doubt will experience more before too long. It is, in fact, hard to examine this show in the calm retreat of the Courtauld Galleries without thinking of the terrible scenes that are taking place in Indo-China.

One of the many fascinations of studying Goya's development is to observe how outside events imposed themselves on his art, so that the designer of cartoons with elegant pastoral scenes for the Madrid tapestry works became the passionate, sardonic and introverted recorder of death and disaster.

In his early days he produced a series of plates after some of Velázquez's best known compositions. These already show his technical dexterity and bear witness to the continuity of artistic tradition which is a feature of Spanish art. This trait has persisted. To take one instance, it may be observed in a painter such as Zuloaga, now little estimated outside his own country, and in the grey and sombre tonalities that mark much modern Spanish painting, whether abstract or figurative.

Unlike the French, Italian or Dutch schools, print-making has not been a speciality of the Spanish one. It was not the least of Goya's gifts that he was able to become so proficient in this medium, proving himself to be one of the most dexterous and original graphic artists.

Goya had many sides to his personality. He was an effective portrait-painter, a history-painter, who chose contemporary themes, and a master of imaginary genre. He was a keen investigator of human psychology, his own not least. He peered into his soul and found dreams and demons that required exorcising in the way he knew best. This is the aspect of his art reflected in the famous "black" paintings that render a visit to the basement of the Prado such an astonishing experience. His drawings and etchings also reveal his inner thoughts.

Since the publication of Pierre Gassier's magnificent volume on Goya's drawings, which I had the pleasure of reviewing on this page, much more is known about the secrets of Goya's imagination than hitherto. No wonder that

The Entertainment Guide is on Page 28

Goya has appealed to many French artists and men of letters, Hugo, Delacroix and Baudelaire among them.

One point raised by this exhibition is the extent to which Goya was inspired by the etchings of other artists. The technique in *Los Caprichos* shows that he owed something to the prints if G. B. Tiepolo, who had worked in Madrid decorating the ceiling of the Royal Palace. Goya's own prints were certainly known to Domenico Tiepolo. It may also be suspected that Goya studied Rembrandt and Piranesi.

To follow the processes of Goya's creativity as an etcher it is essential to compare preliminary drawings with the corresponding prints and to possess a knowledge of the different states and of how one differs from another. Such information is supplied by Tomás Harris in his volume. One of the exciting features of etching is that it permits an artist to make alterations on the plate between one state and another. How effective this can prove is revealed when the different states of many etchings by Rembrandt and Degas are compared. Max Raphael, for instance, once argued that the differences between the three states of Degas's *Madame X leaving the bath* revealed much about this artist's withdrawal from the world.

The magic of *Los Caprichos* (1799) remains. The series shows how Goya explored a world of dreams and fantasy, lacing the results with social criticism. His ability to bring out in the later plates a contrast between firm sharp drawing and rich aquatint permitted him to point the contrast between the forces of enlightenment and those of ignorance. These are etchings that persuade us, if that were required, of the powerful surge of the unconscious.

The War of Independence against the French supplied Goya with scenes of horror that inspired his famous series *The Disasters of War*, started after 1810, his aim being to show "the fatal consequences of the war in Spain with Bonaparte." His powers of observation, allied to his technical mastery, enables him to create powerful images in which starkness and brutality are uppermost. These astonishing prints have a sense of pathos, the tenderness of a man who suffers at the sight of his country's harrowing experiences. No wonder that Sickert appreciated this celebrated series, not that his own etching was in any way influenced by Goya's example.

The third famous set of Goya's etchings is devoted to bullfighting (1816). It seems at first as if he had intended to describe in etched form the "different states and passes of the art of bullfighting and some of the feats of the great toreros of his time." However, he eventually decided to illustrate the *Carta historica* written by N. F. de Moratin, the father of his friend Leandro Moratin and also to base his work on Delgardo's *Tauromaquia*. The result was a set of impressive distinction. The etchings served as inspiration for the superb lithographs—the *Bulls of Bordeaux* (1825)—which he produced in his final period in Bordeaux. These reveal his grasp of a new technique and anticipate the sort of effect sought by an artist such as Manet.

In his last years in Spain—the period of the "black" paintings—Goya made some of his most astonishing and complex etchings, the *Disparates* (c.1815-1824) in which his fantasy was shown at its height, as in the mysterious *Fools' Folly* in which wild eyed bulls cavort in space or *Precise Folly* and *Animal Folly*. The last two have a hallucinatory quality that appears in the circus drawings of Toulouse-Lautrec. Ortega y Gasset was right to call Goya "an inspired somnabulist."

Elizabeth Hall

Rita Streich

by ELIZABETH FORBES

The programme for Rita Streich's recital at the Elizabeth Hall on Sunday was well-chosen and interesting, if a trifle unadventurous. After an opening group of Italian songs (one by Cesti, two by Alessandro Scarlatti) Miss Streich concentrated on acknowledged masters of the Lied—Schubert, Brahms and Wolf—but by her selection and juxtaposition of individual songs, opened the way to a fruitful comparison of the similarities as well as the differences between these composers.

Having recovered from an initial unsteadiness and breathiness of tone, Miss Streich began to shape and point her phrases with the dexterity habitual to her. She seemed uncomfortable singing at anything like full voice, but there were many carefully floated soft notes to admire. Consonants tended to disappear in her enunciation of Italian and, occasionally, in German too, but her English—in Brahm's Ophelia songs—was excellent. "Tomorrow is Saint Valentine's day" and "They bore him bare-faced on the bier" gave me the most pleasure of the whole recital.

Four Schubert settings of Mignon's songs from *Wilhelm Meister* in the first half of the programme were balanced by two of Wolf's Goethe Lieder at the end of the second. In the former, little of Mignon's pain and suffering was suggested, though "So lasst mich scheinen" was smoothly and raptly sung, while "Nur wer die Sehnsucht kennt" also benefited from a fine-spun line. "Kennst du das Land?" evoked the childhood vision of a smiling, flowering country, but missed the acute home-sickness for a half-remembered happiness. Wolf's setting of *Philine* was well characterised, while "Frühling über's Jahr" beautifully caught the springtime mood of Goethe's lyric.

Mörike's "An eine Aeolsharfe" was sung first in the Brahms version, and then in the setting by Wolf. Both songs were fluently presented, but again the chance to contrast the two styles was not taken. Miss Streich seemed more at home in Wolf's "Preziosas Sprüchlein" from the Spanish Song Book, or in Schubert's "Die Entzückung an Laura," where Schiller's imagery was delightfully embroidered by the singer. If "Vedi quanto adoro ancora ingrato," an extract from Metastasio's *Didone*, lacked the passion put into it by Schubert, "Seligkeit," sung as an encore did summon up a feeling of ecstasy.

Throughout the evening Miss Streich was strongly supported by Geoffrey Parsons, whose playing was a model of expressive pianism. His account of the beautiful postlude to Wolf's evocation of an Aeolian Harp was quite magical, while in "Philine," and even more in "Seligkeit," he conveyed the spirit of the song with tender insight.

Festival Hall

St. Martin's Academy

Last night's concert given by the Academy of St. Martin-in-the-Fields under Neville Marriner, and organised for the benefit of the Solicitors' Benevolent Association, offered a well-balanced, well-prepared programme of traditional fare, simply and enjoyably played.

An uneasy, unwilling account of the most poised and sublime of all Mozart's piano concertos, K488 in A, with Stephen Bishop as soloist, was the evening's only disappointment. The first movement was pushed too hard: the smallest sense of hurry, just as surely as too slow a tempo, destroys the marvellous natural gradation of its unfolding. The slow movement was simply, but not plainly, done—an attractive reading (but how can it be necessary to embellish with such crude hothouse decoration the adagio melodic line, so perfectly beautiful unadorned?). The finale was taken at a tremendous clip, even for an *allegro assai*—but inflexibly: with more sense of yielding, the basic pulse could well have been faster, and the music still more expressive.

For the rest, a stimulating succession of a Handel concerto grosso, a Bach concerto, and a Haydn symphony, all of them given with energy and happy style. The restitution of the original solo parts for violin and oboe to Bach's D minor concerto for two harpsichords is a worthwhile enterprise—and in this reconstruction (sensitively done, but unattributed) the solo parts were well taken by Carmel Kaine and Tess Miller. In the outer movements of Haydn's "Trauer" symphony No. 44, Marriner once again let loose with plenty of storming—but here no matter: the music withstood the assault sturdily, bright, brassy and bold.

DOMINIC GILL

The Museum of London

The collections of the London Museum and the Guildhall Museum are to be amalgamated officially as the new Museum of London from June 1. It expects to open in premises being built at the Barbican by December 1976.

Sheldonian Theatre, Oxford

St. John Passion by RONALD CRICHTON

A major pleasure of the Oxford half of the English Bach Festival is the annual performance in the Sheldonian. Part of that pleasure lies in the poetic justice of hearing Bach given by small expert groups from North Europe in a building so long associated with the old, English-beefy style, with large choirs and modern instruments. To say this is not to damn the old way outright: it served its purpose, and the wheel of taste has not stopped revolving. But small forces and baroque instruments (or modern reconstructions) suit the Sheldonian. On Sunday afternoon the St. John Passion was performed by two groups from the Low Countries the Collegium Vocale from Ghent (whose founder Philippe Herreweghe conducted) and Musica Antiqua from Amsterdam. The groups share the same ideals and work frequently together, hence the high degree of unity in a consistently stimulating, highly interesting reading, dedicated to the memory of Sir Jack Westrup, for long connected with the Festival.

The physiognomy of Flemings and Dutch is so like our own that one soon recognised in these devoted young musicians the deep seriousness and scorn for frivolity that Bach induces. In England this earnestness is sometimes a cloak for amateurish incompetence. That was not the case on Sunday. There was piquancy in the fact that anything sounding so baroque could look so outwardly plain. The choir was strung out in a wide arc one deep, demonstrating how keenly concentrated was the singing of each member, but working against the homogeneous blend our choirs cultivate.

These singers make up for lack of weight with the care they take over individual notes. During the first few numbers the effect was rather prickly: one began to want more sustained tone. The fugal entries in the first chorus were distinctly marked, but each voice then momentarily disappeared into a maze of instrumental sound. Soon, however, the singers relaxed and the ear grew accustomed. The soloists included a member of the choir (Anne Verkinderen, pure-voiced, a little too unvaried in expression) for the soprano arias, our own Paul Esswood deputising for the indisposed counter tenor, René Jacobs, and the bass Max von Egmond, a name familiar to record collectors. They were in keeping with the rest—light, accurate, totally free from ponderous piety. Michiel ten Houte de Lange provided the most striking example of the style in his delicate, wholly convincing treatment of the tenor's "Erwäge," the long and difficult aria in which heavier singers are wont slowly to strangle themselves in public.

The Evangelist, Marius van Altena, was clear, quick, pointed, compelling attention without that "sacred" aura to which some tenors resort, but on the two occasions when it is necessary, master of the long melisma. The Christus of Hanns Friedrich Kunz had the same virtues. The curious, crinkly sound of baroque strings in quick scale passages is less captivating than the sighing, swishing tone they impart to such numbers as the tenor's first aria "Ach, mein Sinn." The necessity for re-tuning meant one or two short but inopportune breaks in part two. The organ continuo (Ton Koopman) was plain to the point of austerity, but the very discreet changes of registration told. The welcome given by the audience to Mr. Herreweghe and his team was prolonged and unmistakably sincere. The BBC regrettably failed to broadcast an experience which deserved to be shared by a wider public.

Sotheby's

Laura Knight by ANTHONY CURTIS

The afternoon session of the sale of modern British drawings at Sotheby's on May 7 consists of a selection of works by Dame Laura Knight. Most of the subjects that Dame Laura especialy enjoyed drawing during her long and industrious life are represented in states that vary from the preliminary sketch to the finished study. One is pleasantly reminded throughout of her fidelity to the fleeting moment. Here are ballet-dancers poised in mid-pirouette, trapese artists hurtling through the air. And lest we forget that Dame Laura also relished the moment of repose, there are several drawings on sale of people simply lolling about backstage or on isolated beaches and coves in Cornwall.

Lolling, however was, something that she hardly ever indulged in herself. This is the main impression one gets from the crisply written biography, *Laura Knight* by Janet Dunbar (Collins, £4.95, 237 pages illustrated), which has just appeared. The author enjoyed the full confidence of her subject before she died at the age of 92 in 1970. The book is based on many carefully noted conversations with her and is agreeably free of constant quotation from documents. It leaves one feeling that if you are going to be a really successful bohemian and survive as such to a ripe old age you are going to need most of the puritan virtues to see you through. Laura Knight borrowed these, as did D. H. Lawrence, from her Nottingham background. She was brought up in straitened circumstances, due to the fluctuating fortunes of the lace-making industry, as the youngest and favourite daughter of a one-parent family. Her mother was an art-teacher who soon recognised her daughter's talent, and thanks to the kindness of a well-off relative was able to send her to France for part of her education and also to see that she received the training she deserved at the Nottingham School of Art.

Laura met Harold Knight there, whom she eventually married. After their student days were over they took studios at Staithes in Yorkshire, in Holland and at Newlyn in Cornwall, where she worked in a closely figurative style she never abandoned. In time her career outpaced his and it was she who first became an Associate of the Royal Academy. Friendships followed with Barry Jackson, W. H. Davies, Pavlova, Lopokova, Alfred Munnings, Augustus John, Bertram Mills, Joe Bert, a professional circus clown, and other people prominent in English cultural life between the wars.

In 1939 she was recruited as an official war artist and this gave Dame Laura (as she now was) the opportunity for some of her best-known canvases, of troops and factory workers, whom she sketched with the same enthusiasm she had brought to the gipsies and vagabonds earlier. Her most historic picture was the one she made of the Nuremberg Trials with the top Nazi war leaders in the dock.

As her fame grew and grew Harold, more modestly successful as a portrait painter, settled for a quiet life at home, indulging in the odd consolatory love-affair. Miss Dunbar covers all this ground most competently, and she has produced in effect a small-scale social history as well as the life-story of a remarkable and determined woman.

WORLD TRADE NEWS

Few concessions by either side at Australia-Japan trade talks

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, May 5.

THE THIRD round of trade talks between Australia and Japan, held for the first time at Ministerial level, have ended on a fairly inconclusive note with neither side making any concessions.

At the talks, held at Canberra over the week-end, the main thrust of the Japanese delegation was to have the recently-imposed import restraints lifited by the Australian Government.

In return, Australia, among other things, sought access once more to the Japanese beef market, and to press its point that mineral prices should be fixed on long-term contracts rather than be left to the fluctuations of world markets.

The only two concrete results from the talks were that it is now certain the Australian Government, the Japanese car makers Nissan and Toyota, and the Australian-based U.S. car maker Chrysler are to form a joint company to manufacture small cars in Australia. The consortia will be based at the Lonsdale, South Australia, engine plant operated by Chrysler. Although the Japanese are not overwhelmed with joy at the proposition, they do see it as a significant foothold in Australian manufacturing.

Their pleas for cuts in the car quotas imposed by the Government went unheeded—but the Japanese were told that all of the recently-imposed import restrictions were temporary measures and not long-term prohibitions. Further, Australia appreciated the Japanese foresight in the small car market and would ensure continued access to Australia for such cars.

The other result was an assurance from the Japanese that the meat import quotas were short-term, and that Australia would ultimately return to the position of prime supplier (80 per cent.) of Japanese beef imports. But Australians fear it may be a much smaller market in future.

On the minerals front, the Australians went to great pains to explain that its membership of international organisations of iron ore and bauxite-producing countries was not to agree on cartel prices, but to add a more moderate influence to the groups and, indeed, break them away from the cartel concept. That was taken as a major assurance by the Japanese.

The Japanese were not impressed over the insistence of Mr. Connor, the Minerals and Energy Minister, that all minerals contracts should be long-term at fixed prices. The Australian delegation went to great lengths to explain that the fluctuation of world prices, and the free hand that free enterprise had previously had in contracting on prices, had done enormous damage to the Australian economy. From now on, the Australian Government would play a significant part in contract prices for minerals.

Mr. Connor has already demanded that Australian companies seek substantial rises in coal prices in their latest round of re-negotiation—prices that even the Australian suppliers generally find difficult to justify. Indeed, Mr. Connor indicated that he would visit Japan to play an important role in the next round of coal price negotiations.

It was also made clear that there would be Government intervention in other commodities such as wool and beef. The Australian delegation said it would intervene in areas such as wool, as it already had done, to ensure that the wild fluctuations of international prices did not affect the industry to the point where its survival was threatened.

While Australia's delegation came away from the talks using such words as "frankness" and "candour," and generally feeling that it was the first time there had been realistic meetings between the two countries on trade, the Japanese left generally feeling quite unhappy.

Nationwide 'Buy British' stores promotion

ONE OF the biggest British trade promotions undertaken in Australia began to-day throughout the nationwide network of stores owned by the retail chain David Jones.

Sydney shoppers, in particular, are the main target, and are being enticed with two major exhibitions — one a series of life size replicas of British Kings and Queens, and the other the Sir Winston Churchill exhibition.

This morning there were queues forming even before the store opened of people wanting to see the Churchill exhibition, and hopefully meet the present Duke of Marlborough or Sir Winston's former secretary Miss Grace Hamblin, who is to be here, like the Duke for the two weeks of the promotion.

Shoppers who do not venture into David Jones' stores are unable to escape the superficial razzle dazzle associated with the event. From the awning of one store, a 45 foot-high replica of Nelson's column towers above the main downtown streets, while opposite it is a 40 foot-high replica of the statue of Sir Winston Churchill that stands in London's Parliament Square.

In addition, Mr. Alfie Howard, the Town Crier of Lambeth (an unexpected hit with local television stations) is walking the streets shouting out the Buy British message. A pavement artist is showing his skills outside one of the stores, and wandering minstrels and pub pianist Sam Avent are serenading shoppers inside.

Beneath all this jolly facade there lies a hard commercial promotion of British goods that the store is doing in association with the Department of Trade and British Airways.

David Jones' has put up $A112,000 (£63,850) to stage the fortnight's Fair, while the Department of Trade has added a further $A57,500 (£32,780) to help the Australian-wide boost that the event involves. Of the amounts, $A57,500 and $A39,000 respectively are being spent in Sydney alone.

British Airways, for its part, has been responsible for flying nearly all of the personalities involved to Australia and is gaining as a result of each of the store's advertisements carrying the BA insignia as a promotional tie-in.

The returns for David Jones' —and ultimately British suppliers appear great. The last fair, held in 1968, saw a long-term benefit to the store as well as an immediate buying benefit. In the coming fortnight, David Jones' expects that sales of British goods will ring up some $A5.5m. (£3.13m.) in its Sydney tills, and $A11m. (£6.27m.) Australia-wide.

According to Mr. Charles Lloyd Jones, chairman of the company, the nationwide network of stores has taken on an additional 25 per cent. of its usual stocks of British goods for the fortnight. He expects there will be continuing increase in demand for British goods of around 10 per cent. a year for some time.

At present, 3 per cent. of the store's goods come directly from U.K. manufacturers such as Wedgwood, and Royal Doulton ware is bought from the Australian offshoot of those companies. Both Wedgwood and Royal Doulton have artisans displaying their techniques at the Sydney store.

Pakistan's reserves up

By Iqbal Mirza

KARACHI, May 5.

PAKISTAN'S FOREIGN exchange reserves rose to Rs.4.51bn. (£193m.) on April 30, including gold coins and bullion worth Rs.650m. (£27.83m.) SDR's held with the International Monetary fund of Rs.230m. (£9.85m.) and approved foreign exchange worth Rs.3.2bn. (£138m.).

Balances held outside Pakistan totalled over Rs.400m. (£17.13m.). The reserves have risen by Rs.1.6bn. (£71m.) in the past eight months despite the rapid increase in import bills and a slowing down of exports.

Zambia acts on cargo backlog

BY OUR OWN CORRESPONDENT

LUSAKA, May 5.

ZAMBIA HAS mounted a major imports hauling exercise to clear more than 165,000 tonnes of cargo marooned at Lobito, Beira and Mombasa ports. Zambia Railway has put out 700 wagons to move the goods, which include essential commodities scarce in the country.

Mr. Haswell Mwale, Minister for Contingency Planning, said the railway would be able to move 28,000 tonnes against the normal haulage of 40,000 tonnes a month. At the moment there are 100,000 tonnes of cargo at Lobito, 52,000 at Beira and 13,000 at Mombasa.

The cargo at Mombasa would be moved by Kenyan Transport Company, while goods at Lobito would be hauled by Zambia Railways through Zaire. Malawi trucks would carry cargo from Beira to Lusaka. Mr. Wadson Deleza, Malawi Minister of Transport, has promised to louble the present tonnage of 5,000 tonnes a month.

Meanwhile, shortages of essential commodities have continued to increase because of the ports congestion. Cargo at Dar es Salaam has been reduced from 60,000 to 24,000 tonnes.

Iran-GM joint lorry plant

TEHRAN, May 5.

IRAN and General Motors have agreed a joint project to produce lorries at what will probably be the biggest lorry assembly plant outside the U.S., General Motors managing director Luis Wilking has said.

The plant will produce 100,000 25-ton lorries during the first three years, he said. Its capacity will be increased by 1980 to produce annually 160,000 lorries, 160,000 cars and 15,000 jeeps.

Engines for the trucks will be imported and bodies will be made locally, he added.

Reuter

Export Contracts

YORK TRAILER has signed its third agreement this year with Russia, the latest order being for 1,150 all-steel freight containers worth £2m.

MARRYAT AND SCOTT'S first export order for the computerised lift control system CMC 1200 is part of a six-car group of high rise lifts for Port Harcourt, Nigeria, worth £500,000.

GLACIER METAL, in association with AE Export Services, will supply plant for making Glacier DX bi-metal strip worth £250,000 to Czechoslovakia. The strip will be converted into plain bearings.

GEORGE KENT GROUP will make oil metering instrumentation costing £200,000 for a Russian Black Sea installation.

MAGNETIC COMPONENTS, Cornwall (Plantation Holdings) will supply magnetic recording heads, worth £100,000, for stereo cassettes to a West Berlin company, Wolfgang Bogen, as part of an agreement jointly to market certain complementary ranges world-wide, with manufacture concentrated in the U.K. under the name Bogen-MCL.

IN BRIEF

Africa cargoes

Europe/East Africa and U.K./Sudan Shipping Conferences will change currency adjustment factors on May 10 on freight tariffs for cargoes to ports served by member lines. Negative adjustment factor for East Africa will be 3.14 per cent. (0.141 now on tariffs in U.S. dollars). U.K./Sudan currency factor, or surcharge, becomes 6.35 per cent. (0.82).

Indian jute duty

The Indian government has abolished the export duty on jute carpet backing to improve its competitive position vis-a-vis synthetic substitutes. It means a loss of Rupees 260m. (£14m.). The Reserve Bank has relaxed conditions for loans against raw jute and jute goods.

AMERICAN NEWS

U.S. quietly to 'reaffirm' support for European allies

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, May 5.

THE FORD Administration will offer its traditional European allies a quiet reaffirmation of support at the Nato summit meeting in Brussels at the end of this month and avoid any startling new diplomatic initiatives.

This was made clear by Dr. Kissinger in an interview with Time magazine this week. In his talk with the magazine, Dr. Kissinger said that he and President Ford had considered launching a new diplomatic initiative at the Nato summit meeting at the end of this month, in an attempt to show the world that the alliance was still working well, despite recent setbacks to American foreign policy.

However, they had decided that this approach might backfire and only raise new questions about the depth of America's security commitments to Europe. They have therefore agreed to take a more low-key approach and concentrate on reaffirming, quietly but firmly, America's existing promises to each of the alliance members.

After the Brussels meeting on May 29 and 30, the President will meet with President Sadat of Egypt in Salzburg in an effort to reinject some life into the stalled Middle East peace negotiations. He will then visit Italy and Spain in the hope of reaffirming American ties and bolstering moderate political forces in the face of the Communist success in Portugal.

Other Indo-China news facing page

Dr. Kissinger also spoke ominously of the outlook in the Middle East. The U.S. had now reached the hazardous point where its actions in the Middle East must annoy both the Arabs and the Israelis—but if the situation was allowed to drift, there was a strong danger of war.

In Indochina he forecast a period of realignment following the American withdrawal, with the Soviet Union and China competing for influence and Cambodia and Laos becoming satellites of a Communist Vietnam. Thailand, Indonesia and Malaysia would seek a new accommodation with Hanoi, but in time the U.S. might be invited back to help stabilise the balance of power.

UPI adds from Washington: President Ford will hold Middle East talks at the White House with Prime Minister Yitzak Rabin on June 11 and 12, ten days after returning from meeting President Anwar Sadat in Salzburg, Austria, the White House said to-day.

ECLA plan for multinationals

BY HUGH O'SHAUGHNESSY

PORT OF SPAIN, May 5.

FOREIGN MULTINATIONAL companies in Latin America should be subject to stricter operating conditions and should have to subscribe to a code of conduct, while Latin American Governments should favour the establishment of Latin American multinationals. These are among the recommendations in a plan of action to be considered at the 16th session of the UN Economic Commission for Latin America (ECLA) which opens here to-morrow.

The plan of action has been elaborated by a committee of high-level Government experts as part of a regional evaluation of the UN International Development Strategy. The committee suggests that the cause of Latin American integration and development would be well served by the fostering by Governments of regionally-based multinationals in the fields of farm and food production, infrastructure, transport and communications, marketing, the production of capital goods.

Latin American multinationals, could, the document says, improve the negotiating position duction of capital goods of Latin America vis-a-vis outside multinationals in such fields as the transfer, adaptation and creation of technology.

The plan of action suggests a five-point programme to improve Latin American bargaining power in the acquisition of new technology. The programme includes the establishment of a pool of information available to Latin American countries buying technology, stimulus to Latin American multinationals seeking to substitute imported technology, the study of the possibility of the harmonisation of rules governing the import of technology among Latin American countries and a code of conduct governing the transfer of technology and restrictive technological practices by multinationals.

In the sphere of international trade, the document calls for a liberalisation of U.S. trade policy and the removal of U.S. discrimination against members of organisations of producers of raw materials and seeks a widening of the generalised preference system in favour of developing countries which would include duty-free access for processed food products and a cutback in non-tariff barriers such as quotas, rules of origin and escape clauses.

Jet choice may complicate Euro-deal

BY GUY DE JONQUIERES

NEW YORK, May 5.

EUROPEAN GOVERNMENTS' deliberations on the choice of a new military combat aircraft may now be further complicated by the U.S. Navy's controversial selection of a lightweight fighter designed jointly by McConnell Douglas and Northrop.

The Navy announced over the week-end that it has decided tentatively on the YF-18, a modified version of Northrop's YF-17 design which competed unsuccessfully against General Dynamics' YF-16 for a large scale U.S. Air Force contract awarded last January.

The Navy's choice has already provoked rumblings of discontent in Congress, which stated clearly last year that it expected the Navy to choose a version of the basic aircraft selected by the Air Force, chiefly for economy reasons. General Dynamics had developed with LTV a naval version of its YF16.

In its announcement, the Navy conceded that its decision seemed to defy Congressional sentiment as expressed in a report issued last September by the joint House-Senate Conference Committee on Defence Appropriations. The report stated that future funding of the Navy fighter would depend on the Navy's ability to produce a derivative of the design chosen by the Air Force.

While admitting that their choice does not conform with the stipulations of the report, Navy officials believe that they can win approval by the relevant Congressional committees. But such endorsement may be won only after a lengthy and difficult lobbying campaign on Capitol Hill.

These developments bear closely on the deliberations of at least four European NATO members, since the Northrop design is now given another lease of life as a serious competitor to the General Dynamics YF-16, which had hitherto been the sole American contender as a replacement for the Europeans' ageing fleets of F-104 Starfighters.

The four countries—Belgium, Holland, Denmark and Norway—had been expected to announce their choice between the YF-16 and the French Mirage F-1 fighter within a matter of weeks. But they may now find it necessary to delay a decision to permit a fuller evaluation of the Northrop YF-17 design, now that it has won U.S. Navy support.

One major advantage of the YF-17/YF-18 designs is that they have two engines, a feature which some European Governments are believed to favour over the YF-16's single-engine configuration for safety reasons. On the other hand, the Northrop aircraft is slightly less economical than its General Dynamics' rival.

To counter Congressional arguments in favour of standardising weaponry between the services, the Navy is likely to dwell on the advantages — especially in terms of employment — of spreading major defence contracts around evenly among major areospace firms.

Commonwealth Conference in Jamaica

No clash likely on 'NIEO' issue

By Bridget Bloom and J. D. F. Jones

KINGSTON, May 5.

THE COMMONWEALTH Heads of Government meeting here are likely to avoid a confrontation over the question of a Commonwealth attitude to the so-called New International Economic Order by giving extremely wide terms of reference to a ten-member Group of Experts.

The debate here has revealed a wide gulf between the "fundamentalist" proponents of the NIEO (headed by the Caribbean leaders but with the sympathy and support of many of the other Third World leaders) and the "Reformists," led by the British, who prefer to concentrate on immediate measures such as separate commodity agreements.

According to the draft of the terms of reference of the Experts, they are to submit an interim report "indicating measures that are amenable to early and effective implementation" in time to be discussed by a Commonwealth Ministerial meeting—it has not yet been decided whether this will be a special meeting—before the opening of the U.N. Seventh Special Session in September.

The Group—according to an annexe to the draft communiqué—is to "address itself to the issues and proposals" laid down in the charter of the NIEO, the Commonwealth Declaration of Singapore, and the concepts and proposals which have been discussed here in Kingston.

This last point refers to the directly contradictory speeches made last week by Mr. Wilson, who proposed setting up a general agreement on commodities, and the Guyana Prime Minister Mr. Forbes Burnham, who took exception to Mr. Wilson's "piecemeal" approach.

Brazil seeks N-partner

By David White

RIO DE JANEIRO, May 5.

BRAZIL IS seeking a second partner—either France or the U.S.—in an ambitious nuclear development programme for which West Germany has already pledged its assistance, according to senior Brazilian officials.

Herr Klaus Boelling, the West German Government spokesman, said in Bonn on Friday that the cabinet had approved the principle of a nuclear pact with Brazil. The Germans are expected to supply part of Brazil's initial reactor programme and to help exploit uranium deposits.

OIL IN BRAZIL

An opening for foreigners

BY DAVID WHITE, RIO DE JANEIRO CORRESPONDENT

"THIS TIME," said the Mines and Energy Minister, hearing of his country's largest offshore oil find, "God was Brazilian." That was over four months ago — time enough for the suggestion to come forward again that Brazil may need more than good fortune to solve its oil problem. Quite soon, major foreign oil companies are expected to be allowed to explore in joint ventures, with the Brazilians, a prospect that has been closed to them since the 1930s.

Many people believe that bringing in foreign capital to help the exploration efforts of Petrobrás, Brazil's state oil company, is the only way to overcome the tremendous geographical and technical difficulties being encountered, particularly in the potentially oil-rich Amazon. All that is holding up the decision is the knowledge that it could be a political disaster.

Nobody, neither the Government, nor Petrobrás, nor the foreign companies, doubts that the oil is there. The country has 1.4m. square miles of sedimentary basin, largely unexplored, as well as a promising continental shelf. The problem is that Brazil, suffering an almost intolerable burden of oil imports, has to get at it quickly without touching the nerve of economic nationalism. In Brazilian eyes, the state oil monopoly created 21 years ago by President Getúlio Vargas is inviolable, and a source of justifiable pride.

For the moment that pride is dwarfed by economic reality. Brazil spends more on importing oil than any other country in the developing world, and ranks seventh in the overall oil import table. Last year it spent a net $3.1bn. on oil (after re-exporting $300m. worth), which amounts to 40 per cent. of the year's export revenue. The bill this year is expected to be at least as much, and, with a foreign debt likely to pass $20bn. by next January, there is little prospect of relief for at least five years, when the new offshore fields will have come on stream.

The discovery at the Garoupa field off Campos in Rio de Janeiro state, which gave rise to much euphoria last year, should yield as much as total present production or about 200,000 barrels a day, according to Petrobrás. But by 1979, the earliest date thought possible for full production, Brazil is expected to be consuming half as much again as the present 830,000 barrels a day.

More finds have been hoped for at Campos, where there are 12 similar structures, but results so far have been disappointing. The ever-optimistic minister, Sr. Shigeaki Ueki (his family was Japanese), said it would be "very bad luck indeed" to find no oil in any of them and "a surfeit of fortune" to find oil in all of them. Petrobrás has committed six of the 17 offshore rigs in operation to the area, but is running into problems with great depths and rough seas. In the North-East, where most of Brazil's home-produced oil now comes from, Petrobrás has made further discoveries in recent months, but some of its older wells are beginning to run dry.

Petrobrás has now enlisted Mexican co-operation in its offshore ventures, and is intensifying its search. "It will not be for lack of prayer or appeals to God," Sr. Ueki said recently, "that Brazil will be lacking in oil." Officially nothing is known of negotiations with foreign companies, and those that have distribution operations in Brazil are committed to utter silence. Oil is the most strictly controlled of Brazilian industries, under the watchful eye of the National Petroleum Council. Shell and Exxon both have large service station networks, but where necessary have to take second place to Petrobrás. They are not allowed to explore for, refine, pipe, or ship oil — or to give Press interviews. However, it is known that a number of companies have put propositions to the Government and have received encouraging responses. These are believed to include Shell, Texaco, Gulf, and Occidental (which was partly responsible for the recent inland discoveries in Peru).

> 'It will not be for lack of prayer or appeals to God that Brazil will be lacking in oil.'

Inevitably joint ventures set up with Petrobrás would be subject to strict conditions, and would at least have to fulfil an obligation to supply Brazilian needs. Buy-back arrangements would probably only come into force once self-sufficiency was guaranteed. But the companies are eager enough to diversify their sources of oil—even where it is costly to exploit—and convinced enough of Brazil's potential, above all in the Amazon basin, to remain interested.

Contracts with oil majors on this basis would not necessitate any change in the 1953 law which set up an oil monopoly in Brazilian hands. Foreign experts point out that it would involve a change of method rather than of structure or philosophy, since Brazil already pays U.S. companies to help with its drilling. Sr. Ueki and other Ministers have taken care in their statements defending the monopoly to make clear that Brazil will not barter any of the oil in exchange for equipment.

The need to channel more funds into exploration was highlighted by a recent frustrated attempt by Petrobrás to raise new capital from the State and its minority shareholders. It was to have increased capital by about $550m., but the Economic Development Council intervened and decreed that mixed State companies should not be allowed to compete on the present tight capital market. Instead Petrobrás allocated a smaller sum from its reserves.

Noises from the Congress, where the foreign stake in the economy is already a central issue of debate, indicate that the introduction of foreign risk capital in any form will be a tricky hurdle. At the very least, it will be admitting partial defeat for Petrobrás. At worst it will provoke a serious confrontation over economic interests.

Oil and mining have been the focal points for expressions of economic nationalism since well before Petrobrás was thought of. Foreign participation in mining had some of the controversy taken out of it after the military clampdown in 1964, but it is still possible to find the staunch defender of free enterprise who is unwilling to stomach any compromise when it comes to the oil monopoly. The Government came close to a decision on risk contracts with oil majors last year, but a severe election setback and (most fortunate of coincidence) the discovery at Campos intervened. In many ways, the conspicuous success of Petrobrás at Campos is likely to make easier the entry of foreign companies into other areas.

Petrobrás itself is in a privileged position. With a guaranteed percentage markup on its sales, it is sheltered from the crisis and strong enough to be embarking on an extensive petrochemical industry. It takes part in a number of joint ventures abroad, but still has the field in Brazil to itself, just as it has one of the world's most exclusive strings of filling stations along Copacabana beach. But, so the argument goes, what is good for Petrobrás may not necessarily be good for Brazil. Oil imports are not decreasing despite some success in slowing the growth of consumption. Rationing for motorists has been found impracticable because of the lack of alternative transport, and other sources of energy, such as bituminous shale and coal, of which Brazil has untold reserves, provide the same problem of exploitation as oil. Brazil is even falling back on a wartime makeshift, planning to use sugar alcohol as an additive to petrol, possibly in production of 10 to 15 per cent. The sign of the times in Brazil is that petrol is now as expensive as rum.

While the Government hopes that rising raw material prices will bring back some of the currency Brazil spends on oil, it seems unlikely that the country is not considering another solution. The risk is that by bringing in assistance it may exchange its main economic problem for a political one.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $190.00 (air freight) $365.00 (air mail) per annum. Second class postage paid at New York, N.Y.

U.S. announces first phase of Thailand withdrawal

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, May 5.

THE PENTAGON announced to-day that the U.S. would cut 7,500 from its Thailand garrison as the first step towards its elimination in some 18 months' time.

At the same time, President Ford warned Congress that the U.S. might now have to accept up to 150,000 refugees from Vietnam and Cambodia as a result of the Communist victories there—and that the Administration would need $507m. to look after them during the coming year.

The reduction in the U.S. military presence in Thailand from 27,000 men to 19,500 had been widely expected for some time, and follows Bangkok's request in March that the U.S. remove all it forces over the next 18 months. Nothing was said about the 350 U.S. military aeroplanes kept there, although the Pentagon revealed it is bringing back the 130 South Vietnamese aircraft flown there by fleeing pilots

In American eyes, the withdrawal from Thailand is an inevitable consequence of the Communist successes in neighbouring Cambodia and Vietnam. The Thai Government is now trying to improve its relations with Hanoi

For some, this means that another domino, if not falling, is at least starting to topple. But for others, it is merely the unavoidable recognition by all parties of a change in their relationships—the U.S. is no longer willing to play the policeman in that part of the world, and its former allies are making the adjustment.

Officials at the Home Office and the Foreign Office were yesterday discussing the question of whether to allow a limited number of Vietnam refugees to settle in Britain. No decision has yet been taken but a statement is expected shortly indicating that the Government is broadly sympathetic to Washington's request for help

However, the fact that the U.S. is now committed to phasing out its Thailand bases, must leave its even larger military presence in South Korea looking the more exposed. The situation is juridically different, since the U.S. has firmer commitments to Seoul than to Bangkok. But the country is so disenchanted with Asian adventures at the moment, that it may not attach much importance to the distinction.

Meanwhile, President Ford's request for aid for the Vietnam refugees got an encouraging initial response from Congress to-day, despite public fears that they will add to the unemployment problem. Whether he will get as much as he wants remains to be seen, but the Speaker of the House, Mr. Carl Albert, said he approved the proposal and would give it all his support.

Reuter adds from Singapore: The huge American evacuation fleet disgorged tens of thousands of South Vietnamese refugees in the Philippines to-day and giant transports flew them on to the Pacific island of Guam in the biggest operation of its kind in modern times.

A spokesman at the U.S. naval base at Subic Bay in the Philippines said more than 40,000 refugees had been funnelled through over the past three days.

Saigon 'is calm and foreigners are safe'

PARIS, May 5

AUTHORITATIVE French sources have said that the general atmosphere in Saigon was calm and that all foreigners were being well-treated.

The sources said that the French embassy was sending out favourable reports on the general situation in South Vietnam. "All foreigners are being well treated and there have been no incidents as far as we know . . . the situation is very calm," the source said.

Cleaning up

They said the local population and soldiers "are cleaning the streets, sidewalks and walls. There is a general clean-up programme in process in Saigon to rid the city of all reminders of the former regime."

The embassy had reported that 38 foreign journalists still in Saigon had been given complete freedom to operate throughout the city. The journalists were in good health and were not being harassed, according to the embassy reports.

Earlier, the foreign ministry announced that missing French photographer, Michel Laurent, 28, of the Gamma Photographic Agency, had been found dead not far from where he had last been seen more than a week ago.

Independently

French Government officials meanwhile said that South Vietnam's Revolutionary Government is clearly preparing for a prolonged period during which it will operate independently from North Vietnam.

The government has applied for admission to the United Nations World Health and International Meteorological Organisations, officials said.
UPI

Concern at Cambodia 'killings'

WASHINGTON, April 5.

PRESIDENT FORD has informed visitors that the United States has intercepted a radio transmission indicating that 80 or 90 Cambodian officers and their wives have been killed by the Khmer Rouge in the aftermath of their takeover of Cambodia, his chief spokesman said today.

Press Secretary Ron Nessen said that the radio report also indicated that the assassinations, mostly against military officers of the Lon Nol Government, are continuing.. Mr. Nessen described the President as "deeply bothered" by the events, particularly the killing of the wives.

Word of the Cambodian mass assassination was disclosed as President Ford prepared for a heavy week of involvement in foreign affairs. In the aftermath of the Indochina war, administration officials said Mr. Ford is reassessing Asian policy. He will meet with leaders from the Pacific area in the coming weeks and months. He will hold a news conference to-morrow.
UPI

Our Peking correspondent adds: Buddhist funeral rites for the Queen Mother of Cambodia will conclude to-day when Prince Norodom Sihanouk ceremonially collects his mother's ashes from the funeral pyre.

Members of the Prince's household say that he will leave Peking for Cambodia "soon" though the date has not yet been fixed. They also said that after a short stay in Cambodia he would make a tour of African countries possibly in the company of one of the Khmer Rouge leaders.

Assad 'No' to Ford meeting

BY IHSAN HIJAZI

BEIRUT, May 5.

SYRIAN PRESIDENT Hafez Assad has declined an invitation to attend the American-Egyptian summit conference next month.

According to informed diplomatic sources here, both Washington and Cairo had conducted feelers with Damascus on the subject, and that an invitation was carried to Mr. Assad by Mr. Hosni Mobarak, the Egyptian Vice-President, last Wednesday. Mr. Mobarak made a quick trip to the Syrian capital on behalf of President Anwar Sadat.

Mr. Sadat and President Ford are scheduled to meet in the Austrian city of Salzburg at the beginning of June.

The diplomats said that President Assad in his reply to President Sadat assured the Egyptian leader of Syrian support for his talks with President Ford as long as they are in accordance with principles agreed on at the meeting between the Egyptian and Syrian Presidents in Riyadh, Saudi Arabia, last month.

● ARABIC newspapers reported increased tension between Arab and Israeli forces today, UPI reports from Beirut. The Jordanian newspaper Ad Dustour said Israeli forces were massing along the ceasefire lines with Jordan and Syria—the second publication to report intense Israeli military movement within four days.

On May 1, the Jordanian newspaper Al Sabeh said that Israeli military authorities on the occupied West Bank had closed all but two roads leading to the Jordan valley which "proved" that Israel was preparing to attack the confrontation states of Jordan, Syria and Egypt.

Ad Dustour, quoting reports from Arab travellers in the West Bank, said: "Huge Israeli forces, supported by armoured vehicles, missiles and heavy field guns" had taken up positions

In Beirut, the newspaper Al Hayat said that Palestinian attacks on Jerusalem at the week-end were part of an escalated guerilla campaign ordered by Yasser Arafat, the chairman of the Palestine Liberation Organisation, who left Moscow for Prague to-day after a week-long visit that apparently failed to resolve differences with the Soviets.

OAPEC may quit $-standard for oil

KUWAIT, May 5.

THE Organisation of Arab Petroleum Exporting Countries (OAPEC) has asked its general secretariat to study the possibility of establishing a "monetary unit of account" which eventually could replace the U.S. dollar in calculating their oil revenues.

The decision was taken yesterday at the conclusion of a two-day meeting of OAPEC's Ministerial Council. A communique said the conference asked the organisation's General Secretariat to "continue its study on the establishment of a monetary unit of account to form the basis of evaluating joint projects."

Conference sources said the unit would probably be similar to the International Monetary Fund's Special Drawing Rights, a unit of account used for international transactions and, as of earlier this year, the value yardstick against which most of the OAPEC countries' currencies were pegged.
UPI

REALIGNMENTS IN THE FAR EAST

The issues Peking faces

BY COLINA MacDOUGALL

THE COLLAPSE of imperialism in Indochina came sooner than expected, as the Peking People's Daily admitted. It has precipitated problems for the Chinese which they cannot have thought they would have to face just yet. Their whole foreign policy since the Cultural Revolution has been based on hostility to the Soviet Union and detente with the U.S. and the West, with a fairly stable balance among the States that border on China. Now the old order has begun to dissolve and the Chinese seem no more sure than anyone else what will follow.

Last month's unexpectedly hospitable invitation to the Soviet delegation to the two countries' border negotiations to tour South China suggests that Peking may be contemplating a readjustment. This would be facilitated by the declining health of Chairman Mao, whose personal hostility to Moscow has dominated Chinese foreign policy.

The confused situation has brought the risk of growing Soviet influence, and all kinds of new crosscurrents are appearing. The sudden arrival in Peking of President Kim Il-sung of North Korea, just as Pnomh Penh fell and the U.S. Congress was refusing further aid to Saigon is one example of the pressures the Chinese may have to face from neighbours who will be ready to exploit the American withdrawal from Asia, the Sino-Soviet dispute, and new south-east Asian rivalries.

In fact, President Kim, if his mission was to enlist Chinese support for a reunificatory push southwards, where the UN still maintains a (largely American) peacekeeping force, does not seem to have been very successful. The Chinese stress throughout his visit, in contrast to his own aggressive speeches, was on the peaceful unification of Korea. Nevertheless the Korean team held prolonged talks with Chinese leaders. These included economic officials besides political and military men, so it is possible that Peking was able to satisfy Kim with promises to help North Korea over its shortage of foreign exchange (some owed to British companies).

In recent years Pyongyang has trodden a middle path in the Sino-Soviet dispute, but Peking is bound to feel in the present uncertainty that this might change. Yet Peking is likely to hesitate to support North Korea in any move, even non-military, that would seriously perturb Japan or the U.S., and the prospect of acquiring a new neighbour, a united Korea nearly 50m. strong, too soon after a Vietnamese victory to the south, might well be alarming.

Historically speaking there has been little love lost between the Chinese and the Vietnamese, and the Chinese have no reason to think that Hanoi is prepared to be merely a client State. The Vietnamese have not adopted the more extreme practices of Maoism, and they have a reasonable claim to be an example of an alternative form of Communism, perhaps one more suited than the Chinese to smaller, less dogmatic, nations.

Proximity

In the Sino-Soviet rivalry they have been neutral their proximity to China being balanced by the more substantial Soviet aid (in 1973 estimated at $600m compared to $240m. from China). The old theories about Vietnam as the Yugoslavia of Asia could take on some substance, particularly as Vietnamese Communism has a founding father of the stature of Ho Chi Minh and, like Yugoslavia, has ended the victor in a classic war of liberation. The potential for disputes is considerable whether over territorial waters and oil therein, or over questions of leadership and ideology.

It remains to be seen how relations between North and South will be arranged, but the likeliest outcome is that in due course Hanoi will absorb the People's Revolutionary Government of the South. Last December it was reliably reported that of the 350,000 or so Communist troops south of the demilitarised zone only 10 per cent were southerners. The two Vietnams if united will form a country of some size—not of course in the 800m. class, but nevertheless, in an area of small States, a fresh focus point and one that will take some of the attention away from Peking. The Vietnamese are tough people, less tough than the Chinese, but much more so than the gentler Cambodians, Lao or even perhaps the Thais. The best diplomatic weapons these peoples will have will be the ability to exploit not only Sino-Soviet differences but also Chinese-Vietnamese rivalries.

This currently looks most likely to occur in Cambodia. It seems less and less probable that the Khmer Rouge will keep Prince Sihanouk, who after his long stay in Peking might be expected to favour the Chinese, as a national leader in any meaningful sense. Yet their outlook and training does not appear to incline them particularly towards the Soviet Union. On the whole a calculated neutrality seems likely The Khmer Rouge probably owe much to Hanoi; military training, support and supplies are all thought to have been provided from Vietnam, and Vietnamese troops have been identified there in engagements in the last few years.

These unknown factors are probably causing Peking to think seriously about its U.S. policy. On the one hand, it had indicated that it expected some movement on the question of Taiwan. Chiang Kai-shek's death recently seemed to make this more likely U.S. stalling on this point does seem to have caused some coolness between Peking and Washington during the last year or so. On the other, Peking would probably agree that, to prevent a power vacuum, a decent interval should elapse before the U.S. parts company with yet another ally. There seems little doubt, now when there might be more Russian activity in Vietnam and Cambodia, that China would much rather see the U.S. in Thailand or the Philippines than the Russians.

All these new uncertainties will have heightened the importance of the current Sino-Japanese peace treaty negotiations Japan is a pillar of Peking's effort to build up alternative power centres to the U.S. and the Soviet Union, and as a neighbour it has a place in the general plan to maintain as far as possible on China's periphery a ring of sympathetic states. The treaty, never concluded at the end of World War II, was promised in the communique setting up diplomatic relations in 1972. However, discussions have now reached stalemate because Peking is insisting on a clause stating that both countries are opposed to efforts to establish "hegemony" in the Asia-Pacific region. The reference is obviously to the Soviet Union.

Weaning

While the Chinese have been extremely successful in weaning the Japanese from the Soviet Union. Tokyo is not likely to want to sign a document so positive in its opposition to Moscow. But it is difficult to imagine the Chinese giving way on this issue just when, as they would see it, Soviet meddling in Asia has become a decided risk. Yet Japan is already committed to Peking more strongly than to Moscow in a much more real sense than in the wording of a treaty: while the Chinese haggle mercilessly with the Japanese about terms and prices in business deals, by accommodating them on the really important issues like oil and raw materials supplies they have made themselves nearly indispensable.

This is the natural outcome of the geographical position of the two countries. Such a pattern may provide some comfort to the Chinese at present, for in South East Asia it is they who are both geographically and historically the natural focus of the area. They are unlikely to rest until they feel they have an appropriate degree of influence there, so close to their homeland, and the forthcoming period for them could be one of extremely delicate diplomacy.

Portuguese Army wants parties to arrange 'truce'

BY JANE BERGEROL

LISBON, May 5.

REPORTS OF an imminent "summit" meeting between Portugal's Communist and Socialist party secretaries, Dr. Alvaro Cunhal and Dr. Mario Soares respectively, circulated in Lisbon to-day, following last week's confrontations at the May Day Lisbon rally. The summit would be designed to work out closer co-operation between the two parties both inside the Fourth Coalition Government and in the coming Constituent Assembly, and to agree to a truce on polemics.

With Government activity now negligible, despite the reshuffle designed to make the fourth coalition a more efficient administrative instrument, the Armed Forces Movement is anxious to get the coalition onto a more workable political footing before new and clearly controversial issues—such as the municipal and borough council elections for which the Socialists are pressing—are placed before it.

More importantly, the Armed Forces feel that a quiet political horizon is vital to give the country the opportunity to buckle down to work and attack the deepening economic crisis without disruption.

The military is seeking a pact between Socialists and Communists to stop disruptive polemics, after having momentarily at least put its idea of a new socialist party back into cold storage.

Observers here point out that the Socialists will be hard put to avoid quarrelling among themselves in the Constituent Assembly as Marxists and non-Marxist Socialist Deputies disagree on certain issues. A non-aggresion pact with the Communists might save them from exploitation of such differences by those among the Communist party and the MDP-CDE who would wish to play on such divisions.

Dr. Mario Soares is unlikely to fall for this kind of argument, but he is anxious to present a united front with the Armed Forces Movement during this first delicate post-election trial of strength. For this reason alone, he will want to appear conciliatory with Dr. Cunhal. As he told his supporters last week: "We are not only the party of freedom but of generosity."

A cooling-off period is essential, if the trades union elections are to go off without widespread violence and intimidation. Until now, there has been more violence, arrests, intimidation and doubtful cases of military and Ministerial intervention in trades union affairs than in any other sphere of political activity. Campaigning for the union elections, which must be held within three months now that the law has been passed by the military Supreme Council of the Revolution, could produce a "hot" summer for Portugal's 3m. unionised workers.

At stake is the formation of new unions—or the re-election of current union officials—decision on their federation, and, at the top, a decision on whether or not to become affiliated to the now single legal National Trades Union Confederation, Intersyndical, which has been Communist-controlled since the April 25 revolution.

Amendments to the original draft of the law provide for the formation of many small unions, which could benefit the Communist party in its provenly weak state, but would also, crucially, give the military easier control over labour unrest.

Kaunda for Lisbon

BY OUR OWN CORRESPONDENT

ZAMBIAN President Kenneth Kaunda arrives in Lisbon to-morrow. He will be the second African head of state to make a state visit to Portugal since the revolution last April and the subsequent decolonisation in Africa.

President Kaunda, a key figure in helping Lisbon over its decolonisation problems, will brief Lisbon on what the Kingston Commonwealth Conference expects of Mozambique in the sanctions war against Rhodesia.

Until now, Mozambique's transition Government has had the sympathy and understanding of African heads of state, who fully realise the sacrifices entailed in a full Mozambique ban on Rhodesian trade and transit.

Mozambique's direct trade with Rhodesia earns it an estimated £12m. a year, but there are no figures for invisible earnings including transit trade and tourism, which probably bring total earnings nearer to £20m.

However, with independence on June 25, the first Frelimo National Government is expected to impose sanctions virtually meaning the shutdown of the Indian Ocean port of Beira and of the railway line with Rhodesia. At risk are thousands of jobs, which are already increasingly scarce as Portuguese traders and small industrialists have begun pulling out.

Spanish police hold 68 more

BY ROGER MATTHEWS

MADRID, May 5.

SPANISH POLICE, maintaining their current impressive record of arrests, swept another 68 people into their net late last night. Apparently acting on a tip-off, they were immediately on hand to stifle an anti-Government demonstration by 400 to 500 Leftists in the old quarter of Madrid.

Police sources said that some of the would-be demonstrators were carrying iron bars, metal chains and petrol bombs, and it is thought that the speed and size of the police presence avoided any serious clash.

Meanwhile, 18 of the 80 people arrested on May 1 for attempting to place flowers on the grave of the founder of the Socialist PSO party are now in the top security Carabanchel jail for refusing to pay arbitrary fines of between Ptas.100,000 (£770) and Ptas. 200,000 each. They include a university professor, a well-known writer, architects and workers. Their lawyers have formally complained about the conditions under which the prisoners were held.

Señor Garcia Hernandez, the First Deputy Prime Minister, stressed yesterday that the Government was involved in a "great political operation" aimed at orderly evolution, but emphasised that such an evolution had to take place within the current system.

Political evolution is also expected to be the theme of an important political declaration to-morrow in Barcelona by the young lawyer Jorge Trias Sagnier. Entitled "The Democratic Centre-Right," Señor Trias' lecture is expected to deal with the necessity of permitting much more political liberty.

He is expected to emphasise that the Centre-Right, while fully respecting the Constitution and Prince Juan Carlos as future King, believes that rapid strides must be made to put the country firmly on the road towards a West European-style democracy.

In addition to arguing for the "indispensable need" of an organised democratic Centre-Right in Catalonia, Señor Trias will probably lay great weight on the right of the region to far greater political, economic and administrative autonomy.

ENI's acting chairman threatens to resign

BY ANTHONY ROBINSON

ROME, May 5.

FOR THE second time in two months the chairman of a major Italian industrial group has threatened to resign. First it was the case of Montedison's chairman, Sig. Eugenio Cefis. He resigned in the quest for unbridled control and promptly accepted reinstatement when ensured of this. Now it is the turn of Sig. Raffaele Girotti, the acting chairman of ENI.

Sig. Girotti has written to his political overlord, State Shareholdings Minister Antonio Bisaglia, calling on him to end the uncertainty surrounding the ENI leadership. Sig. Girotti's mandate as chairman of ENI expired last October, and in the absence of a decision either to confirm him or choose another man for the job, Sig. Girotti has seen his internal authority challenged by a managerial revolt in ANIC, the ENI's chemical subsidiary. The lack of a leadership decision has also meant that ENI has not been able to make its views felt in the controversy over the role of the ENI shareholding in Montedison or the future structure of the chemical industry.

The way in which far reaching political and economic controversies over the future role of the State-controlled industries have been allowed to degenerate into personal power struggles is essentially a reflection of the unresolved political struggle between the various factions of the Christian Democrat Party and between the Christian Democrats and the Socialists.

THE WEST GERMAN LAND ELECTIONS

Schmidt wins but faces problems

BY JONATHAN CARR IN BONN

CHANCELLOR Helmut Schmidt of West Germany can rarely be accused of appearing benign or self-effacing—but he came pretty close to it on Sunday evening. Gone were the signs of strain displayed in these last weeks when, besides his governmental duties, he threw himself into the toughest provincial election campaign since he became head of government. The reward is there. The Social Democrat-Liberal coalition in Bonn has fought off a strong opposition challenge and now has no major electoral hurdle before it until 1976—general election year.

In contrast to Herr Schmidt, the Liberal Free Democrat (FDP) leader and Vice-Chancellor, Herr Hans-Dietrich Genscher, sat sphynx-like as the polling results flowed in. If he was elated he gave little sign. Yet if one party can be said wholly to have gained from these elections in the states of North Rhine-Westphalia and the Saarland, then it is that of Herr Genscher. And this, in itself, may well give Herr Schmidt and his Social Democrat Party (SPD) cause for pause in the months ahead.

It would be churlish to deny that the SPD-FDP coalition has won a major battle. North Rhine-Westphalia is ruled by the same two coalition parties which form the federal government in Bonn. It contains within its borders almost every third West German voter—and 90 per cent. of them cast their ballots on Sunday. A decision in this state thus bears the stamp of approval, or otherwise, of policy at national level—and the coalition survived the test.

The Saarland, on the other hand, is the smallest of the provincial states (excluding the city states)—and here the coalition was out to break the hold of the Christian Democrats (CDU) which up to now held an absolute majority of seats in the Parliament. It has gone far towards achieving its aim.

Such is the broad outline of what has happened. But if the results of the coalition parties are examined individually, a picture emerges which gives the SPD very little cause for complacency. Five years ago in North Rhine-Westphalia the SPD received 46.1 per cent. of the vote against 46.3 per cent. for the CDU. On Sunday it had slipped back to 45.1 per cent. while the CDU climbed to 47.1 per cent. True, the SPD has suffered much worse setbacks than this during the past 18 months or so of provincial polling. But the fact remains that the CDU has managed to consolidate its position as the largest single party in the state. And the SPD remains in government only because the FDP, which raised its percentage support from 5.5 to 6.7, is ready to continue in alliance with it—of course, on mutually agreeable terms.

Other main parties

In the Saarland the SPD managed to increase its support from 40.8 per cent. in 1970 to 41.8. But both the other main parties gained ground too, the CDU from 47.8 per cent. to 49, and the FDP, most notably, from 4.4 per cent. to 7.4. The "big three" parties were all able to gain more support because the leftist and rightist extremist parties failed dismally compared with 1970, thus continuing and perhaps even strengthening a trend already evident countrywide.

The SPD-FDP can now command 25 seats between them in the Saarland parliament. So can the CDU. Thus there will be some intensive inter-party negotiation before the final shape of the new Saarland government emerges.

To the outsider it may not appear to matter much whether the SPD-FDP coalition stays in power largely because of Liberal gains. The important thing, surely is that it remains. From within the parties things look rather different. There had long been a substantial body of opinion within the SPD which felt that the FDP junior partner had a disproportionately large say in the formulation and carrying through of government policy. This criticism was particularly strong in the latter stages of the Brandt administration and was more or less stilled when Herr Schmidt came to power a year ago. But in recent months it has begun to emerge once more as the FDP has stood its ground on a number of important reform measures, notably plans for further workers' participation in industrial management, where liberal philosophy and social democrat doctrine are very hard to reconcile. Not very much has been made of this publicly so far, in particular because both parties faced the North Rhine-Westphalia election and this was no time to rock the government boat.

Now, with the elections out of the way the differences are unlikely to be so easily covered up, and indeed there are clear signs that the FDP does not want them to be. If the SPD is sensitive to its position of dependence on its partner, the FDP hits back hard at those who suggest it is merely a propagator of milksop social democracy. It has become clear in FDP circles that the party now plans to go ahead with a much more sharp definition of its own position, for example on questions such as the growing share of state expenditure in gross national product and the means by which this expansion may at least be slowed. Herr Schmidt himself, who is more or less on the right of the SPD, is inclined to be conciliatory on this matter in particular, but there are many in his party who are not, and who feel that with these major provincial elections safely negotiated — for whatever reason — it is time for the SPD to show its true socialist colours once again.

Few things have emphasised the difference between SPD and FDP attitudes more clearly recently than their respective pronouncements on the economy—one of the key issues in the election campaigns. The SPD fought its battle on the slogan "vote for the (economic) upswing," and claimed that available data showed the upward trend was already there. The FDP-run economics ministry was more cautious in its formulations and excited much frustration in SPD ranks by issuing less than wholly positive statements which seemed on the face of it little calculated to win over wavering voters to the coalition cause. Meanwhile, many in the opposition were underlining what was termed the "horror figure" of more than 1m. unemployed. In the event many voters seem to have been in sympathy with the rather sophisticated attitude of the FDP, apparently justifying the statement of one Liberal leader that people were quite capable of discounting both the over-optimistic and over-pessimistic views of politicians.

As for the CDU, in some ways this will go down as Black May.

Chancellor Schmidt

The party aimed to capture North Rhine-Westphalia, set a signal for Bonn, and increase its majority in the Bundesrat, the upper house made up of representatives of the federal states. Had it done so, it would also have gained parity with the coalition on important Bundestag-Bundesrat mediation committees and the legislative process could have ground to a halt. Instead, the CDU not only failed to gain the absolute majority in North Rhine-Westphalia but lost its dominant position in the Saarland. Because of this it may even lose its existing 21-20 Bundesrat majority, though the deadheat in the Saarland makes the position at present unclear.

Weaker than before

The CDU has thus in real political power terms if anything emerged weaker than before—even though in both states it actually gained more votes than it did in 1970. The party's leaders would hardly be human if they did not feel bitter, all the more so since this crowns a whole series of provincial election gains, where the CDU often managed to surpass the SPD but failed to oust the coalition partners together.

At first sight all this might appear to confirm the views of Herr Franz Josef Strauss, leader of the CDU's Bavarian sister party, the CSU, and the personification of a fighting election campaigner. He has long held that so long as SPD and FDP stick together they will be virtually irremovable, barring something close to economic catastrophe. And he has toyed with the idea of forming a new rightist party countrywide—while striving to inject yet more vigour into CDU campaigning.

It is likely that in the wake of Sunday's election results those voices in the CSU which claimed the CDU was not really fighting hard enough for victory will be raised once more. The same voices will probably underline Herr Strauss's claims to the Chancellor candidacy, that is the man to lead the opposition into next year's general elections, and there may be some in CDU ranks too who entertain doubt whether after all Dr. Helmut Kohl, the CDU chairman and front runner for the Chancellor candidacy, is in fact the best man for the job.

This would seem to be an understandable, but incorrect reaction to the signs of the times. The indications are that people are not much interested in formation of a new party, nor impressed by the degree of shrillness which election campaigns are conducted, nor generally do they believe that the economy will deteriorate. It is arguable that the CDU picked up some extra votes on Sunday because it seemed prepared to take a tougher line on law and order than does the coalition, though clearly the extreme right-wing NPD did not pick up such support. Thus even the recent anarchist activity in West Berlin and Stockholm does not, in the event, appear markedly to have upset people's equanimity.

It is, moreover, just as arguable that where the CDU found favour, it did so because it appeared to offer reasonable middle of the road alternative in policy and personnel, to the coalition. If the CDU is to have real prospects of a return to power in Bonn, then this seems to be the way it must go—for all that it is an unexciting and often dispiriting one. And the party would do well to keep in reserve a particularly warm embrace for those members of the FDP who are in tune with this policy approach. There appear to be quite a number of them.

EEC moves on summit, Portugal and Israel

By Reginald Dale, Common Market Correspondent

BRUSSELS, May 5.

EEC FOREIGN Ministers to-day approved a provisional agenda for the next of the Nine's regular summit meetings in mid-July and agreed to press ahead with forging closer links with Portugal in the wake of last month's Portuguese elections.

The ministers also agreed on a compromise that should allow the signing of a new trade agreement with Israel to go ahead later this month in spite of Italian reluctance to open the Community's frontiers to additional agricultural imports from Mediterranean countries.

The summit, to be held in Brussels on July 16-17, is to discuss the overall economic and monetary situation in the Community, energy, raw materials and several foreign policy issues including the East-West Conference on Security and Co-operation in Europe. It will be the second of the so-called "European Councils" that the Nine have now agreed to hold three times a year—the first was in Dublin in March.

The heads of government will also probably hear a progress report from Belgian Prime Minister Leo Tindemans on his plans to draw up new proposals for European Union, and other subjects may be added to the list. Although nobody specifically mentioned it here to-day, the heads of government would obviously want to discuss the whole question of future relations with the U.K. if the June 5 referendum resulted in a "No" to continued Common Market membership.

On Portugal, Danish sources said the ministers had agreed that proposals for concrete negotiations with Lisbon should be submitted by the Commission by mid-July. The mandate should cover financial aid to develop Portuguese industry, technical assistance to small and medium-sized businesses, better treatment of Portuguese migrant workers and improvements in the free trade agreement that already exists between Portugal and the Community.

The Israeli agreement, originally due for signature to-day, is now scheduled to be signed in Strasbourg on May 14, in spite of last-minute agricultural and political complications. If measures cannot by then be agreed guaranteeing Italian farmers protection against increased Israeli exports of processed farm products, the Community will read out a unilateral declaration saying that the agricultural provisions of the agreement will have to be temporarily postponed.

EEC new company law plans

BY DAVID CURRY

BRUSSELS, May 5.

PROPOSALS for an entirely new framework of company law in the Common Market were published to-day by the European Commission. They would permit companies having plants in more than one community country to operate under a single legal system instead of under the various national regulations as at present.

The European company statute, announced by the Commissioner for Internal Market, Mr. Finn Olaf Gundalach, would, require companies to adopt a comprehensive degree of worker participation.

Mr. Gundalach said that he found an "overwhelming desire in political and social circles" to have the statute adopted, and that it was agreed that a "reasonable extent" of worker participation had to be included. There was such momentum behind the move to create such a "completely modern piece of company law" that he hoped the Council of Ministers would give it its blessing before the end of next year.

Optional

He emphasised that it would be optional for companies to adopt the statute, just as it would be optional for workers to take advantages of the participation clauses.

He warned against any assumption that the participation proposals in this statute would automatically serve as the model for proposals now being drawn up in the Commission to harmonise national company law.

Mr. Gundalach also admitted that until the Council of Ministers acted on draft directives providing for common tax treatment of parent companies and their subsidiaries and on a common tax system in the case of intra-EEC mergers, the European Company Statute would have little practical feasibility.

On the harmonisation issue Mr. Gundalach pledged "a more flexible attitude to harmonisation of company law. While we will not abandon hope for greater convergence we accept that it is possible to realise common objectives over a period of time and using different means to take account of national traditions."

He described the European Company Statute as "an important contribution to building a common European foundation for our development" since it would enable companies to "match the European dimension" in their structures.

No upswing for industry in Germany

By Nicholas Colchester

BONN, May 5.

THE MARCH indices for the inflow of orders into West German industry provide no evidence that the long-awaited economic upswing has begun to take effect. They show, according to the Economics Ministry, that the German economy is still in a "transition phase."

The overall order index for manufacturing industry registered 137 in March, after having been set at 100 in 1970. This was 12 per cent. less than the equivalent cash figure in 1974. The three-month sliding average index stood at 133.8, about 7 per cent. below the level for the first quarter of last year.

In the capital goods industry the March table shows that February's orders—on which great hopes were pinned because of their apparently favourable development—have had to be revised downwards. Taking the less volatile three-month moving average, one finds that the overall capital goods order index is practically unchanged from last year's figure at 141.7, because a 4.8 per cent. rise in home cash orders have been offset by 6.6 per cent. drop in the cash value of foreign orders.

There is still no sign of life in the consumer sector. The overall March index was 13.6 per cent. down at 131.3.

New-found strength of franc makes French happy but wary

BY RUPERT CORNWELL

PARIS, May 5.

FRENCH Government and industry are now reacting with a mixture of pride, surprise and no little concern to the fact that the franc, after a lengthy convalescence, is now re-established as one of the strong European currencies.

Over the past fortnight, indeed, the franc has outperformed every other currency in Europe, not only against the dollar, which has lost some 21 per cent. since the start of 1974, but against such previously rock-hard currencies as the Deutschemark and the Swiss franc.

The D-mark, which in trade terms provides the key barometer for France, has slid 13 per cent. in barely a year, and even the Swiss franc has fallen back some 10 per cent. from the dizzy heights it had reached against the French franc only three months ago. The franc is now more or less back within the margins of the EEC joint float which it dropped out of in January, 1974, while against the pound it reached a record high of Frs.9.65 to-day, an appreciation of no less than 18 per cent. since early last June, when the rate was at one point around Frs.11.77.

Up to a point, this new-found strength delights the authorities, since it provides an easily saleable yardstick of the progress the country has made back towards economic health since the bad days of early 1974. Since then the trade balance has returned to surplus faster than even the optimists expected, and inflation has been cut to 10 per cent, or less. The solidity of the franc has even permitted the moribund Eurofranc market to restart, a clear sign of international confidence in the currency.

Just how well-based is the recovery remains to be seen. Should the domestic economy turn stronger, demand for imports might again depress the exchange rate, which has been bolstered too by the conversion of foreign currency loans to cover France's balance of payments deficit.

Another worry, at present more fear than fact, is that the high exchange rate must jeopardise the French export drive. This has however already conveniently allowed many French commentators to ascribe France's probable failure to secure the "arms deal of the century" to the uncompetitive price of the Mirage F-1 contender—thanks to the unrealistic franc/dollar exchange rate.

Mitterrand's olive branch

BY ROBERT MAUTHNER

PARIS, May 5.

THE STORMY relationship between the main partners of France's Union of the Left, the Communists and Socialists, is likely to enter calmer waters following a week-end proposal by the Socialists for a summit meeting between the leaders of the two parties.

This is something that M. François Mitterrand, the Socialist leader, has steadfastly rejected ever since the Communists embarked on their anti-Socialist campaign last autumn. The fact that he himself has now proposed such a high-level parley is probably not entirely unconnected with his oft-postponed visit to Moscow, which he finally paid last month.

North Ireland convention off to a quick start

BY OUR OWN CORRESPONDENT

BELFAST, May 5.

THE NORTHERN IRELAND Constitutional Convention will have its first full meeting on Thursday. This was decided to-day by the leaders of the six political parties when they met Sir Robert Lowry, Convention chairman.

The political leaders got the Convention off to a quick start by reaching agreement on its initial procedures in 2½ hours of talks. They agreed to form a committee to study draft rules for the Convention's proceedings, and that the Convention should start trying to find an acceptable form of government as soon as is practicable.

Following the election results, the major interest in Ulster centres on how the British Government will react to what is expected to be an early majority report from the Loyalists in the Convention.

The Loyalist hope that Britain might be persuaded to approve something short of power-sharing at the top has been strengthened by the remarks of the Irish Minister for Posts and Telegraphs, Dr. Conor Cruise O'Brien, that it was impossible to impose power-sharing.

John Bourne, Lobby Editor writes: The results of the elections are likely to put the Conservative - Labour bipartisan policy under strain unless the Government agrees to reverse its policy on releasing political detainees.

The Conservative leadership, which is to set up a special working group including Mr. Airey Neave, the "shadow" Northern Ireland Secretary, maintains that it was fear of terrorism which led to the size of the United Ulster Unionists victory. The UUU, it is argued, attracted votes because of its firm stand against terrorism and against the release of gunmen from detention.

So far, however, the Conservatives have received no response from Mr. Merlyn Rees, the Northern Ireland Secretary, on their case for a stop to these releases.

If the Convention were to collapse, the British Government would simply continue direct rule from Westminster.

On one point Mr. Rees seems to be determined. The Government will not accept any UUU recommendation for a return to the old Stormont system.

Dominick J. Coyle reports that the outcome of the elections is to be considered by the Dublin Government to-morrow, but already there are signs that the Cabinet itself may well be divided in its reaction. There is also now a real risk of a break in the generally bipartisan policy of the Dail on Northern Ireland.

The Opposition Fianna Fail party in Dublin and the SDLP in the north are incensed over Dr. O'Brien's statement on power-sharing.

Mr. Jack Lynch, Fianna Fail leader, said that Britain had a clear duty to ensure the implementation of power-sharing.

Dr. Garrett Fitzgerald, Irish Foreign Minister, is to return early to-morrow from an EEC meeting in Brussels to attend the Cabinet meeting on Northern Ireland, while Mr. Lynch expects to raise Dr. O'Brien's speech directly with the Prime Minister, Mr. Cosgrave, in the Dail later in the afternoon.

Mr. Lynch is likely to press Mr. Cosgrave to say whether Dr. O'Brien's remarks represent Government policy, and the effect of any reply could be to isolate either Dr. O'Brien or Dr. Fitzgerald.

The real fear in Dublin is that Whitehall, faced with the overwhelming Loyalist victory, might in time accept a return to majority Protestant rule in Ulster.

New Leyland car chief to be named to-day

By Terry Dodsworth, Motoring Correspondent

MR. DEREK WHITTAKER, head of British Leyland's Cowley operations, is expected to be named to-day as managing director of the corporation's new car division.

The post of managing director of the international division, also to be announced after a Board meeting this morning, is expected to go to Mr. David Andrews, present head of the Longbridge, Birmingham, complex.

Mr. Ron Ellis will remain as managing director of the truck and bus division.

These appointments follow the arrangements for the restructuring of BL laid down in Sir Don Ryder's report on the company.

Other major positions to be filled include that of non-executive chairman, finance director and personnel director. The other main Board post will go to the special products division.

Mr. Whittaker, 45, and Mr. Andrews, 42, are accountants, and both were among the influx of senior managers into British Leyland from Ford.

Mr. Whittaker has been with the Leyland only three years. Before that he was a financial controller at Ford. Mr. Andrew's last job there was as assistant controller at Ford of Europe.

● NEWS ANALYSIS—CUTTING-TOOL INDUSTRY

Another Swedish take-over

BY DAVID BELL

FOR THE SECOND TIME in two years a major British cutting-tool manufacturer has been taken over by a Swedish company. In 1973 Wickman Wimet, the leading U.K. producer of carbide cutting tools, was bought by Sandvik. Yesterday SKF announced that it will take over Sheffield Twist Drill and Steel, the largest manufacturer of high-speed steel-cutting tools.

The deal is the first major acquisition by SKF—world-wide turnover about £600m., U.K. sales about £50m.—since its attempt to take over Ransome and Marles Bearings was effectively blocked by the IRC in 1969. This bid precipitated rationalisation of U.K. bearing-makers, which led to the formation of Ransome Hoffman Pollard.

Not 'strategic'

In 1973 Sandvik, one of the world's largest manufacturers of cemented carbide tools, acquired the principal U.K. company in the same field, Wickman Wimet, a subsidiary of John Brown. Since Sandvik already had a sizeable U.K. operation and the two companies together accounted for a substantial part of the market, there was a possibility that the bid might have been referred to the Monopolies Commission, but the arguments in favour of the merger—chiefly the new investment that Sandvik would bring to the Wickman Wimet business—prevailed.

The Labour Government might not be too happy about seeing another leading cutting-tool company, albeit in a different field, fall into foreign hands, but Sheffield Twist, though the leader in its field, can hardly be regarded as the "strategic" business that Ransome and Marles was.

If the bid goes through successfully, and the shares of STDS rose sharply on the news yesterday, the new group will be one of the largest in the world, able to compete on equal terms with the major Japanese producer, Fujikoshi, but not as big as such Ameciran companies as Acme-Cleveland.

High -speed steel cutting tools are vital to every engineering business that "needs to cut holes of any kind" in metal. The tools are made of specially strengthened steels that enable them to cut through metal very rapidly and STDS produces about 850,000 drills, taps, dies and other tools each week. The company employs some 2,500 people, exports over 40 per cent. of its output and had profits before tax last year of £1.85m. on a turnover of £13.7m.

It has three main competitors in the U.K. where it has about 35 per cent. of the total drill market. These are Clarksons, a subsidiary of Thorn Industries; Cleveland Trust Drill, part of Acme-Cleveland; and another SKF company, Skefco Tools U.K., at Dunstable, Beds., with a turnover of about £1m.

For STDS, known in the trade as "Dormer" after Mr. H. A. Dormer who founded it and died in January this year, the major advantage of the merger is that it will allow considerable cost savings in an industry that has traditionally produced in very small, increasingly uneconomic units. STDS produces some 12,000 items, which pose formidable and costly production and stock-control problems.

Rationalisation

SKF hopes that the new company, in co-operation with SKF Malkus, its cutting-tool company, can move towards a "one-product-to-a-factory" system which will cut out the need for constant re-jigging of the machines and produce substantial cost savings. SKF's European bearing plants have already been extensively modernised on this basis.

A number of working groups will be set up soon to see how best this rationalisation can be carried out, but SKF stresses that there will be no redundancies. "In the past 30 years I cannot remember a single redundancy at SKF," said a senior executive of the Swedish company yesterday. The unions were told of the bid yesterday morning, and their preliminary reaction is understood to have been favourable.

Competition

SKF promises that the take-over will mean stronger competition for the non-European makers. It has cutting-tool subsidiaries in Italy and Brazil as well as Sweden and the U.K., while STDS has a small subsidiary in Melbourne and a long tradition of direct exporting.

Indeed STDS had reached the stage where substantial capital investment would have been necessary if it were to compete as effectively in the future. With the aid of SKF's expertise in the machine-tool field and its own production experience, the new company believes it will rapidly be able to increase its world market share.

Apart from Acme Cleveland and Fujikoshi, the other major competitors include Brown and Sharp (U.S.), Greenfield-Whitman-Barnes (U.S.), National Twist Drill (U.S.) and Marine Firminy (France). All will be anxious to see how they are affected by the increased competition that seems certain to follow this deal.

Redundancies are blamed on economic downturn

FINANCIAL TIMES REPORTER

BLAME was placed on the general downturn in the economy in a series of redundancy announcements issued yesterday by companies in the Midlands and North-East.

Eatoughs said that shoe manufacture was to be phased out at its Burton on Trent factory with the loss of 200 jobs. Shoe component and injection moulding work would continue at Burton and manufacture at Earl Shilton and Coalville, Leicestershire.

Carr Fasteners, a light engineering company, said that 130 employees would be redundant at Stapleford because of a fall in demand. Redundancies would be spread among production and office staff and would bring the total number of workers to fewer than 1,000.

Team Valley Weaving Industries, Gateshead, is to make 37 of its 157 workers redundant. It blames a fall in trade and a reduction in competitive ability because of soaring costs.

Ronson Products, of Cramlington, Northumberland, has made 60 workers redundant because of "a fall in the sales of electrical appliances, made worse by the Budget proposals."

Enots, an engineering company at Lichfield, Staffs., has suspended 200 planned redundancies for a week to allow volunteers to come forward for redundancy or early retirement. Enots, part of the Imperial Metal Industries Group, said that a "significant drop" in orders meant that they would have to pay off 150 shop floor workers and 50 staff.

Chloride to build £10m. battery plant near Bolton

CHLORIDE is to build a £10m. motive power battery plant at Over Hulton, near Bolton.

Work on the 240,000 square feet plant—which the company claims will be the most modern of its type in the world—will begin shortly, and it is expected to be in production by 1978.

Chloride is already the world's largest producer of motive power batteries, which are used for powering fork-lift trucks, milk floats, submarines and electric vehicles, and the three-year project will increase its capacity by 50 per cent.

Announcement of the plans follows Chloride's successful rights issue at the end of 1974, the proceeds of which, it was stated at the time, would be used for financing expansion of industrial battery manufacture in the U.K.

The company believes that the total U.K. market for motive power batteries—of which it holds a 65 per cent. share—will double in size in the period 1970-80. Overseas markets, too, are expanding rapidly, particularly Europe.

Announcing the decision to build the new plant—which will employ around 450 people—Mr. John Ray, managing director of Chloride's European operations, said yesterday: "Shortage of capacity in times of buoyant world trade has long been a British failing. Chloride is investing heavily now when there is economic recession so that when world trade revives we have the products available and can deliver."

Institutions will fund local authority plans—Silkin

BY JOHN TRAFFORD

MR. JOHN SILKIN, Minister for Planning and Local Government, said yesterday that pension funds and institutions would be happy to agree to fund development programmes backed by local authorities or development corporations under the provisions of the Community Land Bill which he is piloting through Parliament.

He quoted one example of a pension fund funding a £34m. development corporation project two months ago.

The Minister, speaking at the annual lunch of the British Property Federation in London, said that the legislation would not be rigid and that it was not the Government's intention to see that local authorities acquired all development land, however small or insignificant.

"If your industry wants to consult us and to play a part, we shall be very ready listeners," he said.

Development property companies still had a future, working in co-operation with local authorities and development corporations.

U.S. prime rate may go to 6½%

Financial Times Reporter

U.S. PRIME RATES could come down to 6½ per cent. in the summer from 7½ per cent. at present, Mr. James Bodine, president of the First Pennsylvania Bank of the U.S., yesterday said in London.

He said loan demand was still weak, and deposits were rising, restoring some "balance-sheet strength" to the banking system. He forecast a recovery in the U.S. economy this year leading to a measured improvement in real gross national product.

This would bring prime rates back to the 7½ per cent. level by the year's end, but would not put undue pressure on rates or renew inflation.

Mr. Bodine said the annual inflation rate, as measured by the cost-of-living index, could decline to less than 5 per cent. by end-1975 from 7 per cent. in the first quarter.

Cheaper cigarettes

BY ELINOR GOODMAN

IN THE first post-Budget sales drive, Carreras Rothmans yesterday launched three new cigarette brands, under existing brand names. They are aimed at smokers seeking cheaper alternatives to their usual cigarettes in the wake of the duty increases.

At the cheaper end of the market, which is expected to show a big sales increase in the next few months, Carreras is introducing Guards Select. Selling at 33p for 20 it will be in competition with Imperial Tobacco's big selling brand, Players No 6.

In the medium priced sector Carreras is launching Piccadilly No 3, selling at 38p for 20, while it is also introducing a cheaper alternative to its menthol brand, Consulate, in the shape of Consulate No 2, selling for 39p for 20 as against 43p for the established menthol brand.

● The Celanese Corporation, which has contracts with both Carreras Rothmans and Gallahers for the production of man-made smoking materials for sale in this country, yesterday announced a doubling in capacity of its Maryland production unit in the United States.

Benn amends his proposal to exploit pension funds

BY JOHN BOURNE, LOBBY EDITOR

MR. ANTHONY Wedgwood Benn has amended his highly controversial draft Labour Party document seeking to compel City institutions to provide part of their pension funds for use by the National Enterprise Board, other public enterprises, and investment projects approved under planning agreements.

The draft, amended by the Secretary for Industry and his advisers, after criticisms from the Prime Minister and Mr. Harold Lever, Chancellor of the Duchy of Lancaster, now says that a large but "agreed" proportion of institutional funds should be re-invested in manufacturing industry. However, it does not say who should agree the proportion, and it also still contains the emotive sentence, "*Insurance and pension companies should be required*" to channel minimum proportions of their new funds into public enterprises.

To meet the anxieties expressed by Mr. Lever on Thursday about the interests of savers in pension schemes, Mr. Wedgwood Benn has inserted the following sentence: "There would clearly have to be assurance to policyholders over the financial security of funds channelled to industry in this way, which takes account of the minimum standards laid down in Labour's new Pensions Bill."

The amended draft was discussed in general at a meeting of the Party's Home Policy Committee last night, when Mr. Denis Healey, the Chancellor, and Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, seemed still far from satisfied. Both said there were a number of points in the document which still needed further deep rethinking.

The committee agreed, therefore, that there should be an all-day meeting of the Industry Policy Sub-committee, to which the document was originally sent, and that all members of the Party's National Executive should be invited to attend. These would include the Prime Minister.

Mr. Lever, who is the Government's financial adviser responsible to Mr. Wilson, is unlikely to be easy about Mr. Benn's amendments, because the phrase about "requiring" insurance and pension companies to invest a large amount in manufacturing industry is still in the Benn document which says that "half of the cost" of the industrial programme might be found from institutional sources.

Mr. Lever said in a speech, on Thursday, that the "coercion" of private funds was a sure way of "poisoning relations between private industry and NEB."

There were also many objections in principle to the Benn proposals, and two which he particularly emphasised. First, "it was always wrong to use compulsion where an objective can be achieved by voluntary means."

Far from the voluntary approach being tried and failed, "*Britain is one of the few countries that has never needed to bring coercion to bear upon its investment institutions on the direction of investment finance.*"

The ultimate pressure was being brought not on the great financial institutions but on "those whose savings for pensions have been entrusted to them." It was the pensioners who would suffer if the funds were coerced into unprofitable channels.

Threat of "Benn Bonds," Executives' World, Page 17

Home theft insurance claims are up by 43%

BY ERIC SHORT

FIGURES ISSUED yesterday by the British Insurance Association show a 43 per cent. rise last year in losses from thefts in the home.

Claims paid by the 300 member companies of the association on household thefts jumped to £13.6m. from £9.5m. in 1973. Burglary claims for all types of premises totalled £30.9m., a 34 per cent. increase over 1973.

Losses from commercial and industrial premises were 29 per cent. higher at £5.4m., thus reversing the steadily declining trend in claims over the past four years.

The experience in transit losses last year was also poor, with claims for goods lost in transit rising 32 per cent from £2.8m. to £3.7m., although cash in transit losses were only marginally higher at £2.3m.

Mr. A. Macdonald, chairman of the BIA, said that last year's figures continued the trend of recent years of rising losses.

It was disappointing that in spite of the efforts of everyone concerned with crime prevention, the results had taken such a sharp turn for the worse. Even though some of the increase was due to higher values, there was a real deterioration in the situation.

Mr. Macdonald called for the co-operation of all policyholders in crime prevention. By exercising care and commonsense, it was not difficult to deter the small time thief. The alternative would be a steadily increasing toll of losses, leading inevitably to higher premiums.

Lloyd's Life plans to cut expenses and limit expansion

BY ERIC SHORT

A REORGANISATION is under way at Lloyd's Life Assurance to cut expenses and limit expansion to eliminate the shortfall between assets and liabilities disclosed at the end of last year.

In their report to shareholders, the directors of Lloyd's Life say that an actuarial valuation at December 31, 1974, resulted in a deficiency of £703,764, which increased the deficit in the profit and loss account from £1,276,689 to £1,980,453.

The two factors which caused the deficit in 1974 were the continued fall in the value of fixed interest securities and the margins in premiums received not meeting management expenses.

The company was incorporated in 1971 with the backing of Lloyd's to offer full life assurance rather than the short-term policies available in the past. It was in competition with Lifeguard Assurance, set up in 1964 by a group of Lloyd's members, but never directly sponsored by Lloyd's.

The five regional offices of Lloyd's Life outside London was too expensive to be supported by the business transacted by the company. The margins for expenses in the premiums received were not meeting the actual expenses incurred by the company.

The report shows that two significant steps have been taken to rectify the position. The first was a radical re-organisation to reduce management expenses, which started in September. The second was to reinforce the capital base by means of a rights issue last July which doubled the issued capital to £4m.

The retrenchments have been the data processing operations and the branch organisation. All five branches have been closed down and now the servicing is done by one representative in each area operating mostly from home. This re-organisation resulted in about 40 redundancies and the resignation of the general manager and the marketing controller.

The new general manager and actuary, Mr. J. T. Woolhouse, said yesterday that the premium loadings combined with the interest on the share capital was adequate to meet the running expenses at this reduced level.

All new life companies incurred high set-up costs that could not be recouped in the first few years of operation. One reason that expenses were high was that, because Lloyd's Life was primarily a life company dealing through brokers, the commission rates on its policies had to be competitive.

The chairman of Lloyd's Life, Sir Henry Mance, says in his report that the company was working too independently of the Lloyd's community. The management wished to change this position and was steadily visiting all the main Lloyd's brokers.

The company was not only in the bond market as had been suggested by certain leading life brokers, but offered a wide range of life products, including bonds.

The re-organisation process would be long and if the company failed to make a greater impact than had been achieved, there would be a careful reconsideration of the marketing and sales strategy, including the present practice of marketing solely through brokers.

TELEX SERVICE AUTOMATED

The telex service to Costa Rica became automatic at the week-end bringing to 74 the number of countries which Britain's 54,000 telex users can reach direct.

ICI and BP Chemicals join in £11m. plant

By Ray Dafter

ICI AND BP Chemicals are to join forces to build an £11m. chemical plant on Teeside.

The 90,000 - tonnes - a - year butadiene plant will be built in conjunction with another ICI-BP joint venture, a £100m. ethylene plant already being built at Wilton, Cleveland.

The butadiene plant is due for completion in 1977, when it will supply chemicals for use in the production of synthetic rubber, plastics and fibres.

Storage and jetty facilities are to be built. The plant, designed by Lummus and using a BASF process, will add considerably to the butadiene capacity of ICI and BP.

BP chemicals can produce up to 112,000 tonnes a year at Baglan Bay, South Wales, and Grangemouth, Scotland, while ICI has a capacity of 80,000 tonnes.

The new plant will be managed, operated and maintained by ICI. Each company will provide half the feedstock and each take a corresponding share of the product.

The project brings the capital investment announced in the past 14 months for ICI sites in the North-East to more than £170m.

BAC State control 'not justified'

By Michael Donne, Aerospace Correspondent

THE NATIONALISATION of the U.K. aerospace industry is not justified and will be detrimental to the country's interests, say General Electric Company and Vickers, the joint owners of the British Aircraft Corporation, in a statement criticising the nationalisation Bill published last week.

"No evidence has been offered or is available to show why and how the industry's operations will be improved by public ownership," say the two companies.

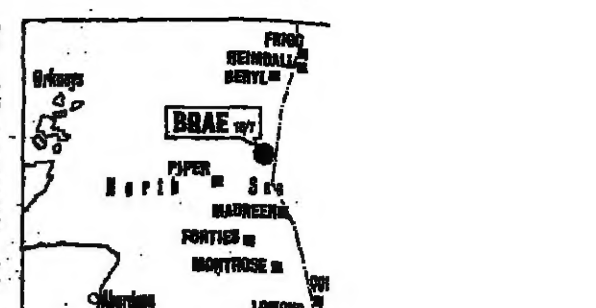
"It has been suggested that further 'restructuring' of the industry is necessary and can only be achieved in this way. As to the necessity, the industry's performance demonstrates that this is just not true. As to restructuring, the industry has already shown its willingness and ability to change if and when necessary."

BAC had steadily and consistently expanded its turnover, its exports and its profits. It had a successful, efficient and healthy company.

"It is well equipped and encompasses high standards of technology and training. It has an order book of £800m., of which £600m. is for export. It is meeting its commitments to the armed services and is participating effectively in three major international projects, Concorde, Jaguar and MRCA."

Pan Ocean confirms North Sea oil find off Orkneys

BY RAY DAFTER



A NEW North Sea oil field, named Brae, has been confirmed by the Pan Ocean U.K. group.

The U.S.-Canadian-Norwegian consortium reported flow rates of more than 22,000 barrels a day from a discovery well on block 16/7, about 150 miles east of the Orkneys. The group said a month ago that initial tests suggested flow rates might exceed 10,000 barrels a day.

Although the find is not as significant as the established major fields such as Forties and Brent, it does suggest a substantial addition to Britain's reserves.

Further tests will be needed before the size and potential of the field is delineated, although Pan Ocean said last night that it was encouraged and "happy." Tests had confirmed "good reservoir flow characteristics."

The National Coal Board has an option to acquire a 30 per cent. interest in the block. Present participants are Pan Ocean Oil (U.K.), 40 per cent.; Bow Valley Exploration (U.K.), 35 per cent.; Siebens Oil and Gas (U.K.), 10 per cent.; Sunningdale Oils (U.K.), 10 per cent.; and Saga Petroleum, 5 per cent.

Pan Ocean said that it had tested stabilised flow rates from seven different intervals through restricted chokes varying from half to one inch. The well, in 335 feet of water, was drilled to a total depth of 15,695 feet. located a gross pay interval 500 feet of continuous upp jurassic sandstone at a depth about 12,000 feet.

The group said that the gravity ranged from 35 degre API with a gas oil ratio of 3,0 cubic feet a barrel in the low part of the zone up to 46 degre API with a gas oil ratio of 7,0 cubic feet a barrel in the t part of the zone.

● The Turriff Taylor Tarm Construction consortium h been awarded a £10m. contra for mechanical and electric installation at Occidental's terminal on the Orkney isla of Flotta.

IN BRIEF

£1m. lab. refit call

The National Institute for Medical Research, Mill Hill, Britain's oldest and largest medical laboratory, urgently needs a £1m. refit. The institute, built in 1940, is at the forefront of work on virus diseases and immunology.

Money squandered

Much of the £4bn. of public money spent each year on public buildings, roads and other construction works is squandered because of a combination of poor ordering and a lack of co-ordination between customer, design team and contractor, says a report published to-day by the National Economic Development Office.

Sewers decision

Sewerage charges demanded from ratepayers whose premises are not connected to the public sewers are illegal it was ruled yesterday. Mr. Justice Phillips gave his decision in the High Court after hearing a test case affecting 900,000 such ratepayers in England and Wales, who are facing an £18m. bill after the reorganisation of water authorities.

Pan Am bonus warning

Pan American World Airways representatives met Department of Trade Officials in London to discuss the airline's offer to travel agents of bigger commissions to boost its ticket sales. Pan Am lawyers were understood to be studying the warning by the Department last week, repeated yesterday, that Pan A might lose its U.K. operati permit because of the offer.

New VW depot

Volkswagen will open a ne £500,000 roll-on roll-off impo centre at Grimsby to-day. T depot is designed to take abo half VW's imports over the ne 15 years.

British Mustang

A right-hand drive Ford Musta is to go on sale in the U.K. pric at £3,962.

Imported teachers

Canadian teachers are to help ease the acute teacher shortage the Strathclyde region after t holidays.

Ardent launch day

Ardent—seventh of the Nav new Type 21 Amazon Class 2,5 ton frigates—will be launch from the Glasgow yard of Yarro (Shipbuilders) on Friday.

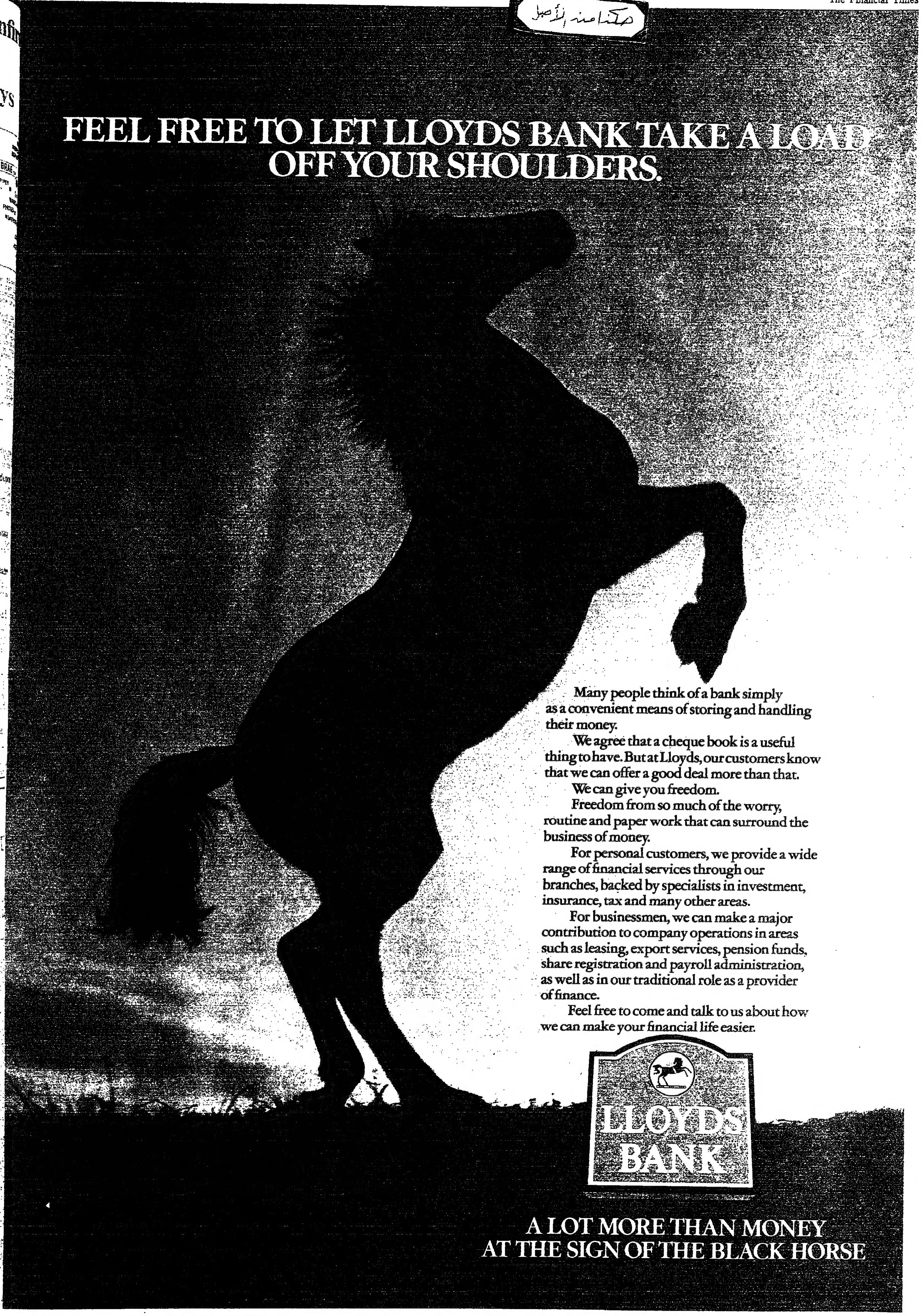
Sell out

First 280,000 print of the Scotti Daily News, the morning new paper launched yesterday by workers co-operative in Glasgo was a sell out, said the compan A run of 300,000 copies wa planned for to-day.

Big Top ballet

The Royal Ballet is switchin its summer season—scrapped a the Coliseum Theatre, Londo after an industrial dispute—int a circus-style Big Top in Batterse Park throughout next month

هكذا من الأصل


FEEL FREE TO LET LLOYDS BANK TAKE A LOAD OFF YOUR SHOULDERS.
Many people think of a bank simply as a convenient means of storing and handling their money.
We agree that a cheque book is a useful thing to have. But at Lloyds, our customers know that we can offer a good deal more than that.
We can give you freedom.
Freedom from so much of the worry, routine and paper work that can surround the business of money.
For personal customers, we provide a wide range of financial services through our branches, backed by specialists in investment, insurance, tax and many other areas.
For businessmen, we can make a major contribution to company operations in areas such as leasing, export services, pension funds, share registration and payroll administration, as well as in our traditional role as a provider of finance.
Feel free to come and talk to us about how we can make your financial life easier.
LLOYDS BANK
A LOT MORE THAN MONEY
AT THE SIGN OF THE BLACK HORSE

LABOUR NEWS

Civil servant moderates triumph against Left

BY LORELIES OLSLAGER IN MARGATE

MODERATES scored an important victory against Left-wingers in elections of union officers at the annual conference of the Civil and Public Services Association: the biggest civil service union, in Margate yesterday.

The Left, in particular the Trotskyist International Socialist faction at the conference, also suffered setbacks when the conference delegates approved the civil servants' recent national pay award, which gave rises averaging 32 per cent. over 15 months.

Delegates nevertheless called on the national executive to explore possibilities for interim pay increases if inflation should erode the award before it expired next April.

When the conference overwhelmingly approved the present pay award, it also dismissed Left-wing motions criticising the deal as insufficient and urging a return to free collective bargaining, instead of the present system of comparing civil servants' pay with what is paid for comparable work in industry.

Mr. William Kendall, the CPSA's general secretary, said that other unions were using the civil service's percentage increase to revise their own claims upward.

If this meant that the CPSA had helped to dent the social contract, Mr. Kendall was unrepentant.

"If the interpretation of the contract means simply and crudely wage restraint for civil servants, without reference to movements of pay elsewhere, then this settlement is not within spitting distance of its terms and I make no apology for that."

On a broad front, if support for the Right expressed during the first day of the conference is sustained in crucial votes later this week, the Left-turn which the union took at its conference last year could well be reversed.

After bitter behind-the-scenes struggles, Mrs. Kate Losinska, a moderate candidate, was elected next president of the union by 93,543 votes, compared to just over 82,000 for her Left-wing rival, Mr. Walter Adamson. A second "moderate" candidate received about 16,000 votes.

Mrs. Losinska, who describes herself as politically close to Mr. James Callaghan and Mr. Reg Prentice, said that her election was a hopeful sign for both the CPSA and other unions "under attack" from the Left.

She suggested that her victory might also herald a change in the CPSA's attitude to the social contract, which it opposed at the TUC annual congress last year.

The Left's candidates for the two posts of vice-president were also defeated. They polled 66,000 and 60,000 votes, respectively, compared with 122,000 and 77,000 cast for the candidates of the Right.

Votes for the policy-making executive are still being counted and will not be announced before to-night at the earliest.

The Right is hoping to establish at least "parity" with the Left among the 26 elected members of the executive. At the moment, the moderates allege, the Left has 16 votes and uses them systematically as a bloc majority on the executive.

The main battle between Left and Right is still to come, however. To-morrow, the conference has to decide whether to accept the executive's choice of two Left-wingers for senior union posts or whether to overrule the executive and endorse candidates of the Right.

On Thursday, the bitter factional struggle raging behind the scenes may also erupt in a debate on rival motions in which Left and Right attack each other.

On the eve of the conference, the national executive evenly blamed both sides in statements deploring both the activities of the International Socialists and of the "moderates."

EPTU chief attacks attempt by Left to subvert Labour

BY JOHN WYLES IN THE ISLE OF MAN

A THINLY veiled attack on attempts to "subvert" the Labour Party by Communists and other Left-wingers was delivered here yesterday by Mr. Tom Breakell, president of the Electrical and Plumbing Trades Union.

His speech, opening the union's biennial conference, reflected the EPTU leadership's characteristic hard line stand against the Communist Party and the extreme Left at home and abroad.

The blunt approach was highlighted again later in the day by Mr. Frank Chapple, EPTU general secretary, whose hard hitting attack on Russia's military policies failed, nevertheless, to win majority support for the national executive's opposition to a Left-wing motion rejecting the Government's arms expenditure cuts as inadequate.

This was the EPTU executive's first defeat at the conference, where it will face this week major Left-wing challenges to its support for the social contract and to its "neutrality" on the Common Market issue.

Anti-Marketeers began intensive lobbying last night to win support for their bid to move the conference against the renegotiated terms and away from the executive's argument that the union should leave its members without a recommendation for the referendum.

With these imminent battles clearly in mind, Mr. Breakell urged the conference to get behind the Government, which had honoured most of its policies. He bitterly attacked the "knockers," who were not people "who had shown a great degree of judgment in the past."

Mr. Breakell appeared to include in this side swipe some members of the TUC international committee, which had gained "no great credit" in causing public uproar by inviting Mr. Alexander Shelepin, then the head of the Russian TUC, to Britain "only to find he had been sacked when he got back."

The traditional battle to prevent the Labour Party from being subverted by people who had no taste for democracy was still on, said Mr. Breakell, who summoned to his argument Aneurin Bevan's warning against "totalitarian-minded men" who were the sworn enemies of Socialism and of social democratic politics.

Threshold deal won by Imps workers

By Our Labour Staff

A NEW threshold pay agreement, triggering after an 11 per cent. jump in the retail prices index, has been won by about 12,000 workers at Imperial Tobacco.

The deal is in addition to a 25 per cent. pay settlement, of which 12 per cent. is "new money" and the rest the value of threshold payments already made under the old Stage Three formula.

The increases are payable from this week to production and craft workers at John Player and Sons, Nottingham, and at W. D. & H. O. Wills, Bristol. About half are women.

Last year, Imperial Tobacco workers received two-stage increases worth between 15 and 30 per cent. in all, and setting rates ranging from £31.60 to £45.80 a week.

Stable lads plan more picketing

STRIKING stable lads will decide to-day their new picketing targets as 14 of their members are charged in court.

Lads decided at a mass meeting yesterday to maintain their picket on Newmarket stables—and to decide to-day which other race courses should be picketed.

The 14 will appear before Newmarket magistrates charged with causing a breach of public order. The charges arise from incidents before the start of Saturday's 2,000 Guineas at Newmarket.

The trainers have refused to meet the lads' demand for a £4.47 a week increase.

The Newmarket Trainers Federation, in a statement yesterday, said some estimates published about wages, hours and conditions of employment, were inaccurate.

The statement said reports of a wage below £33.83 were incorrect. The average was more than £36 without taking into account bonuses and fringe benefits.

Teachers' pay award for this year goes to arbitration

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE 1975 pay award for 456,000 schoolteachers in England and Wales is to go to arbitration, it was agreed last night.

The decision by unions and education authorities in London last night came after the Burnham Committee negotiations on the award reached deadlock with the two sides—on the employers' calculations—still £105m. apart.

The unions last week raised their original 20 per cent. claim to 26 per cent. to bring it into line with the recent increase to civil servants, with whom the teachers are claiming comparability.

This demand for a comparable award was rejected by the employers, who said that they could not ask ratepayers to bear a 1975 increase which did any more than compensate teachers for the rise in the cost of living since May 24 last year—the day to which their recent 27 per cent. average increase, recommended by the Houghton Committee, was backdated.

The cost of the 26 per cent. demand, the employers said, would be an extra £275m. on the pay bill in addition to the £58m. needed to consolidate threshold payments already being made.

The employers' firm offer of an extra £170m., plus the consolidation of thresholds, was refused by the unions, who said that the combination would represent an increase of only 15.5 per cent.

The employers then said that, if the unions would agree in advance to accept it, they would be able to raise the extra offered to about £180m.

This also was rejected by the unions, and both sides asked for arbitration.

The move means that teachers in England and Wales are unlikely to receive any money from their 1975 rise—which was due to come into force on April 1—until the late summer or early autumn.

On past experience, the arbitration tribunal will not start its work until next month and will need several weeks to complete its report.

Union attacks management

By Our Labour Reporter

A SHARP attack on "incompetent management" in the electricity supply industry is included in evidence from the Electrical and Plumbing Trades Union to the Plowden Committee of Inquiry into the industry's structure.

The EPTU, which represents most of the industry's 106,000 manual workers, says that its members are irritated by the "Civil Service" mentality of management and by the reluctance of the industry to delegate responsibility for decision-making.

Bid to end ballots fails

BY ROY ROGERS, LABOUR CORRESPONDENT

LEFT-WINGERS in the Amalgamated Union of Engineering Workers engineering section yesterday failed in a bid to abolish the union's postal balloting system which they blame for the Left's recent poor showing in the elections for officials.

The vote was close, with delegates to the union's engineering section rules revision conference in Blackpool splitting 27-25 after a day-long debate.

Although the Left is eager to return to the system of voting at branch meetings because it favoured Left-wingers, they based their argument on the cost of the postal system, estimated at between £200,000 and £500,000 a year as opposed to the £40,000 or so under the old system.

Moderates argued that the postal system was more democratic and that under it participation in elections had increased from about 10 to around 30 per cent of the 1.2m. membership.

Dons to meet Prentice

By Michael Dixon

ON THE EVE of strikes by university teachers whose pay scales are now lower than those of polytechnic lecturers, Mr. Reg Prentice, Secretary for Education and Science, yesterday conceded that the dons' salary position was "unjust."

He told MPs that representatives of the 27,000-strong Association of University Teachers—which is staging protests throughout the country to-day—would meet him this week. He would then make a further statement. The AUT's claim is for 26 per cent.

IN BRIEF

Docks halted

Work at Manchester Docks was halted again yesterday only three hours after the 600 dockers returned after an unofficial strike since Thursday. It was the latest in a series of lightning strikes by the dockers in support of pay demands.

Sit-in ends

About 70 workers at the Coles Cranes factory, Darlington, decided to end a three-week sit-in in protest against company redundancy proposals. They will return to work to-day to allow talks to resume.

New pay offer

The 70 electricians on strike for 13 weeks at the Boots Company in Nottingham and Beeston today will consider a raised pay offer.

Union defied

Local authority electricians employed in three of the five district councils on Merseyside defied the recommendation of their union the EPTU to call off their 10-week official strike to allow arbitration over their demand for pay parity with the electrical contracting industry. Shop stewards to-day expected to recommend the men to go back, but apply sanctions.

Dustmen walk out

The 180 dustmen and drivers at Wolverhampton went on strike in protest at the suspension of a dustman after a row with a woman householder.

Gas deal

Northern Gas has agreed with the General and Municipal Workers Union on a new wage restructuring agreement which could affect 3,000 men. The deal, back-dated to January 12, will operate in Cumbria only at first.

Housewives' choice

Britain's trade union and industrial leaders were urged by the National Housewives Association to acknowledge the death of the social contract and to create a new nationwide "contract of survival."

Concorde decision

British Airways cabin staff decided to adopt a "wait and see" attitude towards pay increases for flying in the Concorde.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on May 5, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (K) Scheduled Territory; (O) official rate; (F) free rate; (T) tourist rate; (n/c) non-commercial rate; (n.a.) not available; (A) approximate rate, no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk.) bankers' rate; (Bas.) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	335(sg)
Afghanistan	Afghani	156 (A)
Albania	Lek	(O)10.10(A) (T)25-25(A)
Algeria	Dinar	(A)8.82
Andorra	French Franc	9.65
	Spanish peseta	151.50
Angola	Ang. Escudo	57.70
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm)26.41 (fn)35.26
Australia (S)	Australian $	1.7450
Austria	Schilling	38.80
Azores	Portug. Escudo	57.70
Bahamas (S)	Ba. Dollar	2.3466
Bangladesh (S)	Taka	18.8585(sg)
Bahrein (S)	Dinar	0.9295
Balearic Is.	Spa. Peseta	151.50
Barbados (S)	Barbados $	4.80
Belgium	B. Franc	(cn)82.05 (fn)85.00
Belize	B$	4.0
Bermuda (S)	Bda. $	2.3415
Bhutan	Indian Rupee	18.7513(sg)
Bolivia	Bolivian Peso	46.85
Botswana (S)	S. A. Rand	1.680200
Brazil	Cruzeiro	18.32
Br. Solomon Is.(S)	Australian $	1.7450
Br. Virgin Isles (S)	U.S. $	2.3415
Brunei (S)	Brunei $	5.5162
Bulgaria	Lev	(O) 2.30 (T) 2.84
Burma	Kyat	(A)14.70
Burundi	Burundi Franc	185.26
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	482½
Canada	Canadian $	2.405
Canary Is.	Spanish Peseta	151.50
Cape Verde Is	Cape V Escudo	57.7
Cayman Is.(S)	Cay. I. $	1.9518
Cent. Af. Rp.	C.F.A. Franc	482½
Chad	C.F.A. Franc	482½
Chile	C. Escudo	(Bk) 8.887 (T) 8.864
China	Renminbi Yuan	4.1953
Colombia	C. Peso	(F)68.16
Comoro Is	C.F.A. Franc	482½
Congo (B'ille)	C.F.A. Franc	482½
Costa Rica	Colon	20.1580
Cuba	Cuban Peso	1.95690
Cyprus (S)	Cyprus £	0.8658
Czechoslovakia	Koruna	(com)12.75 (n/c)26.58 (T)22.21
Dahomey	C.F.A. Franc	482½
Denmark	Danish Krone	12.91
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.3415
Ecuador	Sucre	(O)58.24 (F)58.557
Egypt	Egyptian £	0.915824 (T)1.40(A)
Ethiopia	Ethiopian $	(P)4.8524
Eq'l Guinea	Peseta	151.50
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	12.91¼
Fiji Is. (S)	Fiji $	1.8876
Finland	Markka	8.36½
France	French Franc	9.65
Fr. C'ty in Af	C.F.A. Franc	482½
Fr. Guiana	Local Franc	9.65
Fr. Pac. Is.	C.F.P. Franc	175.45
Gabon	C.F.A. Franc	482½
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	5(A)

Place and Local Units		Value of £ Sterling
Germany West	Deutschemark	5.55
Ghana (S)	Cedi	2.68
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is.(S)	Aust. Dollar	1.7450
Greece	Drachma	71.1495
Greenland	Danish Kroner	12.91¼
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.65
Guam	U.S. $	2.3415
Guatemala	Quetzal	2.3415
Guinea Rep	Sily	n.a.
Guinea Bissau	♦♦	♦♦
Guyana (S)	Guyanese $	5.21
Haiti	Gourde	11.7075
Honduras Rep	Lempira	4.68
Hong Kong (S)	H.K. $	11.58½
Hungary	Forint	(com) 112.77 (nc)(T)48.97
Iceland (S)	I. Krona	349.30
India (S)	Ind. Rupee	18.7519(sg)
Indonesia	Rupiah	971.722
Iran	Rial	(A)155.7
Iraq	Iraq Dinar	0.689
Irish Rep K	Irish £	1.00
Israel	Israel £	14.004
Italy	Lira	1.478
Ivory Coast	C.F.A. Franc	482½
Jamaica S	Jamaica Dollar	2.1270
Japan	Yen	681
Jordan S	Jdn. Dinar	0.755(sg)
Kenya (S)	Ken. Shilling	16.7228
Korea (Nth)	Won	n.a.(g)
Korea (Sth)	Won	1,123.90
Kuwait (S)	Kuwait Dinar	0.672
Laos	Kip	n.a.
Lebanon	Lebanese £	5.16
Lesotho	S. African Rand	1.680200
Liberia	Liberian $	2.3415
Libya	Libyan Dinar	(P)0.6931
Liechtenstein	Swiss Franc	5.87
Luxembourg	Lux Franc	82.05
Macao	Pataca	12.7525
Madeira	Portug'se escudo	57.7
Malagasy Rp.	MG Franc	482.5
Malawi (S)	Kwacha	1.8742
Malaysia (S)	Malaysian $	5.3285
Maldive Is.(S)	Mal Rupee	n.a.
Mali Rp	Mali Franc	965
Malta (S)	Maltese £	0.8668
Martinique	Local Franc	9.65
Mauritania	Ouguiya	♦
Mauritius (S)	M Rupee	15.55
Mexico	Mexican Peso	29.24
Miquelon	C.F.A. Franc	482½
Monaco	French Franc	9.65
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E Caribbean	4.80
Morocco	Dirham	9.48(sg)
Mozambique	Moz. Escudo	57.7
Nauru Is.	Aust. Dollar	1.7450
Nepal	Nepalese Rupee	24.40
Netherlands	Guilder	5.66
Neth. Ant'les	Antillian Guild	4.1918
New Hebrides	Franc	3.9596
	Austl. Dollar	1.7450
N. Zealand (S)	N.Z. Dollar	1.7656
Nicaragua	Cordoba	16.45
Niger Rp	C.F.A. Franc	482½
Nigeria (S)	Naira	1.4508(sg)
Norway	Nrwg Krone	11.71
Oman Sultanate of (S)	Rial Omani	0.816
Pakistan (S)	Pkst. Rupee	22.90(sg)
Panama	Balboa	2.3415
Panama Canal Zone	U.S. $	2.3415
Papua N.G. (S)	Aust. Dollar	1.7450

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	292.21
P'ple's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.79
Peru	Sol	ex(c)150.8 (A)101.77
Philippines	Ph. Peso	15.44½
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.7656
Poland	Zloty	(Bas.)[illegible] (T)78.50
Portugal	Pgse Escudo	57.7
Port Timor	Timor Escudo	57.7
Principe Isle.	♦♦	♦♦
Puerto Rico	U.S. $	2.3415
Qatar (S)	Qatar Ryal	9.06
Reunion Ile de la	C.F.A. Franc	482½
Rhodesia	Pound	n.a.
Romania	Leu	(cm)11.69 (n/c)(T)[illegible]
Rwanda	Rwanda Franc	218.78
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	482½
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.85
Samoa (Am)	U.S. $	2.3415
San Marino	Italian Lira	1,478
Sao Tome	♦♦	♦♦
Saudi Arabia	Ryal	8.17½
Senegal	C.F.A. Franc	482½
Seychelles	S. Rupee	13.33
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.3162
Somali Rep.	Som Shilling	(A)14.3550
Sth. Africa (S)	Rand	1.5682
S. W. Africa Territories (S)	S. A. Rand	1.680200
Spain	Peseta	151.50
Span. Ports in North Africa	Peseta	151.50
Sri Lanka (S)	S. L. Rupee	15.8935(sg) (A)8.357(sg)
Sudan Rp	Sudan £	0.8157
Surinam	S. Guilder	4.1918
Swaziland (S)	Lilangeni	1.680200
Sweden	S. Krona	9.22
Switzerland	Swiss Franc	5.87
Syria	Syria £	(A)8.575(sg)
Taiwan	New Taiwan $	(P)88.977
Tanzania (S)	Tan. Shilling	16.72
Thailand	Baht	47.85
Togo Rp	C.F.A. Franc	482½
Tonga Is. (S)	Pa'anga	1.6765
Trinidad (S)	Trin. & Tobago $	4.80
Tunisia	Tunisian Dinar	0.976(sg)
Turkey	Turkish Lira	[illegible]
Turks & C'cs	U.S. $	2.3415
Uganda (S)	Ug. Shilling	15.7259
Utd. States	U.S. Dollar	2.3415
Uruguay	Uruguay Peso	(com)5.342
Utd. Arab Emirates	U.A.E. Dirham	9.31½
U.S.S.R.	Rouble	1.68
Upper Volta	C.F.A. Franc	482½
Vatican	Italian Lira	1,478
Venezuela	Bolivar	[illegible]
Vietnam (Nth)	Dong	[illegible]
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.3415
Western Samoa (S)	Samoan Tala	1.5072
Yemen	Ryal	10.57(sg)
Yugoslavia	New Y Dinar	39.5929
Zaire Rp	Zaire	1.15975
Zambia (S)	Kwacha	1.5042

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

♦♦ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

■ A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent regime on February 17, 1970. Recent reports suggest a rate of about 1.20 Rh. dollars to £1.

♦ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate: oil and iron exports 9.86.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.308 roubles, and the North Korean won at 0.7491 roubles. With the pound equal to 1.62 roubles, the following relationships could be calculated for the pound: £1=7.20 tugriks; £1=5.26 dong; £1=2.30 won.

♦♦ Information not available for this edition.

• Rate is the Transfer market (controlled).


It'll take more than Tony Blackburn to get them out of here.
It's undeniable that many working girls enjoy nattering in the 'Ladies.'
'You just can't keep them away' some employers are fond of claiming.
'Employ women and that's what you must expect.'
Fortunately for Britain (where 38% of all employees are female) such assertions are examples of male chauvinism rather than statements of fact.
For like anyone else, a girl will always respond to the right working conditions. Music while you work, bright surroundings and free hair-do's all help to make her willing to work.
But if the temperature becomes hot and stuffy, the one thing she'll never stick to is the job.
In fact the more the temperature rises above 72°F, the more popular the Ladies Cloakroom becomes.
The answer, fortunately, is not beyond Man's Ingenuity.
We at Colt have made sure it isn't. By developing ways the problem can be overcome in factories, warehouses and offices – wherever employees are working in a stuffy, overheated atmosphere.
In thousands of cases, we've been able to demonstrate how ventilation can create healthier, safer, altogether better working conditions.
With less absenteeism, less mistakes, less moaning in the canteen. And significantly higher productivity.
How much we can do for you is something you can find out free and without obligation. Just by having a survey done. (We'll willingly work with your architect or consultant.)
Give us a ring.
Even in the present business climate, you could achieve wonders.
With a little help from us and Tony Blackburn.
Colt International Ltd. (Heating, Ventilation and Industrial Access) Havant, Hants. Havant 6411. Telex 86219.
People work better in Colt conditions.

BUSINESS OPPORTUNITIES

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Short staple into good yarns

FOLLOWING a major shift in emphasis from shuttle looms to various types of shuttleless machines in the textile industry, another major transition is now taking place. The long-established ring spinning process is gradually being superseded by what is described as either "break" or "open-end" spinning. A number of advantages are claimed for the open-end machines, but one major difference is that, unlike ring spinning machines, they can produce huge bobbins of yarn ready to use.

Most of the machines work on the rotor principle whereby fibres are plucked from a sliver and blown in an air stream into a rotating chamber where they collect on the walls, somewhat in the manner of washing being pressed against the walls of a spin dryer. The centre of the spindle of this rotor is hollow and a yarn is pulled down this exit. As it leaves, it strips away the fibres from the rotor wall, thus forming a yarn. It is thus a continuous, high speed process.

There are two main approaches to the presentation of fibres to the air stream. The most popular is to use a type of pinned roller which strips, or combs out the fibres individually, but another concept is to use a series of drafting nip rollers which, as they are positioned nearer the fibre draw-off point advance at ever increasing speeds. Thus there may be a sequence of say three or four pairs of rollers.

This is the system favoured by the French company SACM (represented in Britain by B. L. Engineering, 11 Edward Street, Bradford BD4 7BH. Telephone 0274 34185).

Most of development work on these new spinning systems has been concentrated on spinning cotton yarns or cotton-type synthetics. Wool is considered to be problematical because of its oil content which can clog the rotors and cause uneven yarn and even breakages.

The longer length of a wool fibre, compared with that of cotton, is also a difficulty necessitating the use of a larger diameter rotor and so limiting production speeds.

What has, however, tended to be overlooked, is that short staple wool is available and recently some trials were conducted by SACM using a pure wool sliver made from 33 mm. staple length wool. Two things emerged from this. The first was that the character of the SACM rotor was revealed to be sufficiently self-cleaning to allow yarns to be spun with good regularity, while the yarns that were spun proved to be of excellent quality and adequate strength.

The experiments indicate that perhaps there is a place for open-end spinning with wool and wool-blends in this end of the Yorkshire trade and it will obviously be of interest both to the yarn spinners and those who are developing machines of this kind.

● MATERIALS

Optical plastics

PLASTICS in optical application have shown growing importance over the last decade. General characteristics of certain polymers allows them to be used as a replacement material for glass optics in many products.

Yarsley Research Laboratories division of Fulmer Research Institute is undertaking a multi client study which will cover the major applications, giving information on current technology, materials used, and factors governing selection. The study will provide data on the present situation in Europe, the U.S. and Japan, giving estimates of present markets and likely growth to 1980, together with an analysis of the relevant factors.

The study will cost £800 for those subscribing before July 1975, and will be published early in 1976.

Yarsley, Stoke Poges, Bucks SL2 4QD. Fulmer 2181.

● OFFICE EQUIPMENT

Fast copier now from Kodak

A NEW black and white plain-paper copier capable of producing 4,200 copies per hour has been demonstrated in Flemington, New Jersey, at the Eastman Kodak Company's annual shareholders' meeting.

Kodak president Walter A. Fallon told shareholders that the Kodak "Ektaprint" 100 copier duplicator "will attract attention in this market place by virtue of both price and features."

While the copier means a new market entry for Kodak, as a product, it results from the company's research and manufacturing knowledge.

The Ektaprint 100 will be used in key user premises in the U.S. within the next few months for a period of extensive product evaluation.

Prices and U.S. delivery schedules will be announced later this year. No decision at this time has been taken regarding the international distribution of the new product.

Kodak, POB66, Kodak House, Station Road, Hemel Hempstead, Herts HD1 1JU. Hemel Hempstead 61122.

● INSTRUMENTS

Alarm by pressure change

A MULTI-PURPOSE initiation and alarm system of pneumatic modules that eliminate the need for an electrical supply, the Conard CPS, should prove particularly suitable under adverse conditions of humidity and temperature or where explosive atmospheres are a hazard.

The sensing unit contains a bank of 14 points for monitoring various process parameters, pressure levels, or any quantity that can be turned into a change of air pressure.

An audible alarm is linked to a three stage alarm sequence display that will show green, green and red alternating, or red. Manual cancellation of the audible alarm (a hota) allows the visual signals to remain until the fault is cleared, and a "first up" facility is provided to ensure that the original fault in a process can be identified when such a fault triggers off other alarms almost simultaneously.

The system can be operated from normal plant air without the need for filters. Conard Controls, Hallam Mill, Stockport (061 480 5556).

● PROCESSES

Pulveriser reduces scrap

TWIN CONTRA-ROTATING rotors are said to pulverise rubbish faster, to require less power and to transfer lower shock loads to the foundations than conventional single-rotor pulverising machines.

To demonstrate its abilities such a pulveriser has been set up at Keighley, Yorkshire, by the maker of the Jackson machine, Newman Industrial Sales, Upper Mills Industrial Estate, Stonehouse, Glos. (045 382 3771).

The machine is stated to have a number of advantages. The shredding and tearing action of the contra-rotating hammers increases the capacity and "quality" of the end product, and the particle size of the material can be adjusted. This is achieved by varying the shape and weight of the hammers, their number and disposition along the rotors, and their relationship to the central impact bar, or by inserting a perforated screen on the machine discharge.

There are three sizes with nominal power ratings of 150, 250, and 400 hp, using twin electric motors in each case. On full load, power absorbed is reduced to between 24 and 37 per cent. of total rating.

Allows for flexing

PIPE and tube joints that permit greater angular deflection, and faster assembly and disconnection, have been introduced by Aeroquip (U.K.), Yates-Barco Division, Marple, Cheshire, SK6 6AR (part of the U.S. Aeroquip Corp.).

Known as the Flexmaster NH1600 series, the joints have a bellied, zinc-plated sleeve, carrying at each end a Buna-N or butyl gasket, a gasket retainer and a coupling assembly.

It is available in straight-through, teed, elbowed and crossed designs, in sizes from ¾ to 6 inch diameter, in both standard and self-restrained styles; the latter has a notched channel ring to maintain a firm grip on the pipe. No pipe end treatment is required.

It is claimed that positive sealing is ensured at angular deflections up to ±4 degrees per end for straight-through joints and up to ±2 degrees per end for other joints. The joints are said to be suitable for pressures up to 300 psi and for temperatures from −54 to +232 degrees C., and can be used for oil, air and water lines in equipment such as diesel engines, compressors and air conditioning.

Analyses auto-test signals

AUTOMATIC WAVEFORM analyser System 770/774 introduced into the U.K. by Systron-Donner can be remotely programmed by computer or ASCII keyboard to measure amplitude and time features of a signal. Intended mainly for automatic test systems, the analyser can also be operated manually by front panel thumbwheel controls.

Normally suplied for two channels, the system displays both on an 8 x 10 cm crt, while a five digit LED display shows the measured results in fixed decimal engineering notation with appropriate indication of volts or seconds.

Sensitivities of both channels can be programmed, as can the timing functions, and an auto delay mode allows the waveform selected to be automatically positioned on the screen. Sample and hold circuits can be programmed to track and hold a peak voltage, or hold and measure a voltage at any other moment along the trace. The portion of waveform under examination is intensified on the crt.

The company is at St. Mary's Road, Leamington Spa, Warwicks (0926 35411).

● NORTH SEA OIL

Crude oil sampler

ALLENWEST is supplying flame-proof motor starters to Jiskoot Autocontrol for use with new automatic oil sampling systems. The systems, which will be operating in association with every North Sea oil production platform now being built for the offshore fields of Montrose, Forties, Argyll and Piper, involve a new technique of sampling the quality of crude oil prior to refining.

One of the many problems in crude oil production is knowing the quality and overall consistency of large quantities of the base stock. Discrete manual monitoring can yield a great deal of data about the sampled amount, but it is an inconvenient and unreliable method in determining the quality of large amounts of crude oil.

Knowing overall quality is of the utmost importance, for it not only reduces the possibility of disputes between the producer and the purchaser, it also ensures that refining parameters are accurately known and refinery operating costs kept to a minimum.

Jiskoot developed, in conjunction with B.P. Trading, an electro-mechanical self-contained equipment called a fast loop automatic sampling system which connects directly into the oil pipeline. Using an electrically-driven pump and electronic monitoring techniques, it works by taking samples of crude oil either on a flow proportional basis (four samples per minute, for example), or after a predetermined amount of oil has flowed through the pipe. Sample increments from 4 c.c. are taken from the pipeline and stored ready for chemical analysis.

To enable the system to operate in exposed and hazardous site conditions its constituent parts are mounted in weatherproof and flameproof housings. The complete unit, including starter, is flameproof to BS.4683.

Allenwest, Brighton BN2 4QE. 0273 66666.

● COMPUTERS

Preference for ICL intensified

THERE ARE indications in the market that the Government's "Buy British" computers policy is undergoing radical change. Till now, the policy has generally been bi-partisan, being followed by the last Labour and Conservative administrations for some seven years.

The policy's essentials were that single tendering was used in compatibility situations and in the normal administrative computer purchases for central government. In practice this has turned out to mean that those American manufacturers who already had central government installations were likely to be asked to upgrade. Many of those installations were with the defence forces and with organisations peripheral to Government.

In the mainstream of the administration the policy generally seems to have been one of single tenders for ICL, a policy which, after much initial complaint, was generally accepted.

Outside central government, much of higher educational computing was also reserved to ICL, though there were a handful of exceptions among the universities.

In local government there had been much cajoling by central government, but basically Local Authorities who wanted to be independent were allowed to be so—very few went outside ICL. A similar policy existed for the nationalised industries, who showed much more independence however.

All this is changing and quite quickly and radically now that ICL can meet any big machine need.

Signs of these internal pressures from on high can be seen in the discussions around two major projects—that for the ECGD and the British Rail system known as APTS—and the British Steel Corporation's purported plan to stay with its present 50/50 split between ICL and IBM.

Industry sources indicate that pressure to take ICL equipment in preference to any other comes largely from Mr. Tony Benn and Mr. Peter Shore. But these are not the only pressures that are being exerted. Government tenders are usually based on a requirements document known as Con 84, now more than ten years old. There have been rumblings within the computer manufacturing industry for a long time past that the document was unsuited to present times.

Recently, however, the computer industry has been presented with draft proposals which are said to include many points that are controversial, but hardly open for discussion as the time scale is so short.

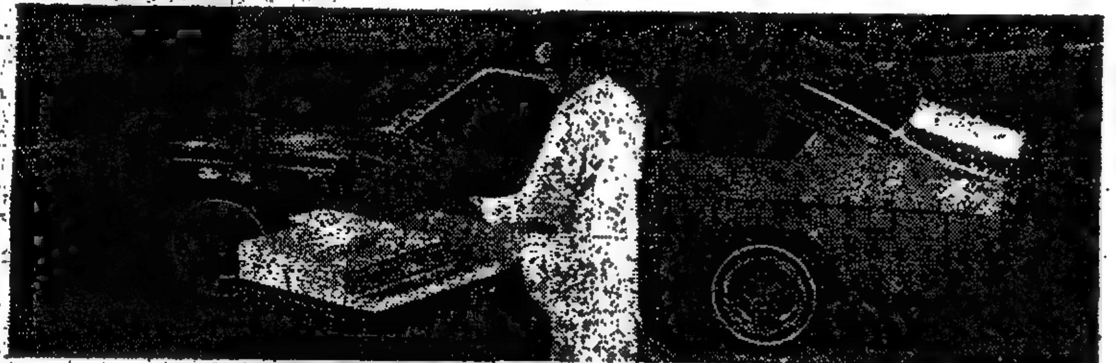
The reasons for the urgency are not known, though, again, there is speculation that this has much to do with the new policy as well as being linked with EEC moves towards getting member states to agree on a common computer purchasing policy. And, indeed, why should the U.K. be softer than Germany, it is being asked.

This is however secondary to the policy proper. Well informed sources state that the reason for the sudden toughness of Mr. Benn and Mr. Shore has much to do with cutbacks in expansion plans of the so-called multinationals. These groups would have a hard time justifying a situation in which they lay off people in the United States while they continue to expand abroad, or even one in which the European lay-offs are no greater than those at home in the U.S. with its 8m unemployed.

هكذا من الأصل

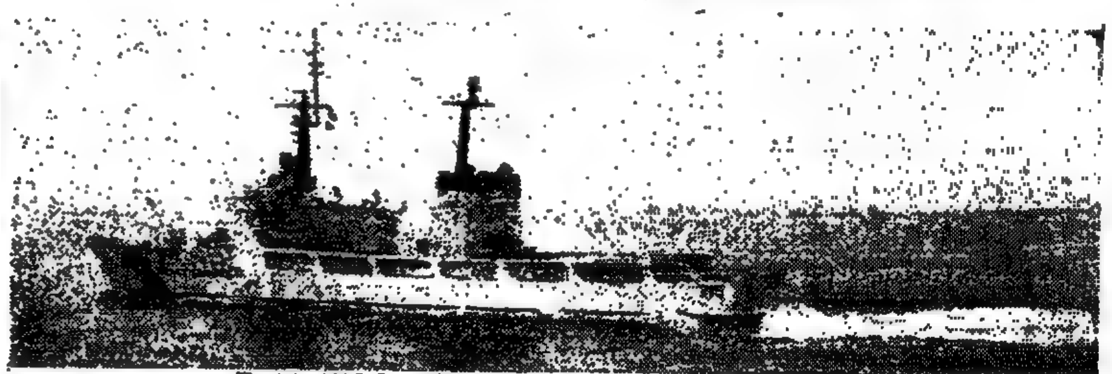
The shareholders of United Aircraft are pleased to announce that they have changed the company's name to United Technologies Corporation.

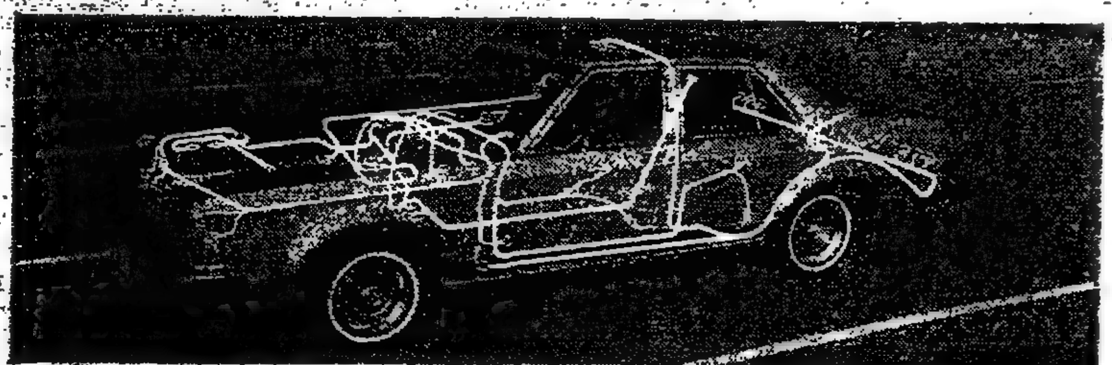
For a lot of obvious reasons.

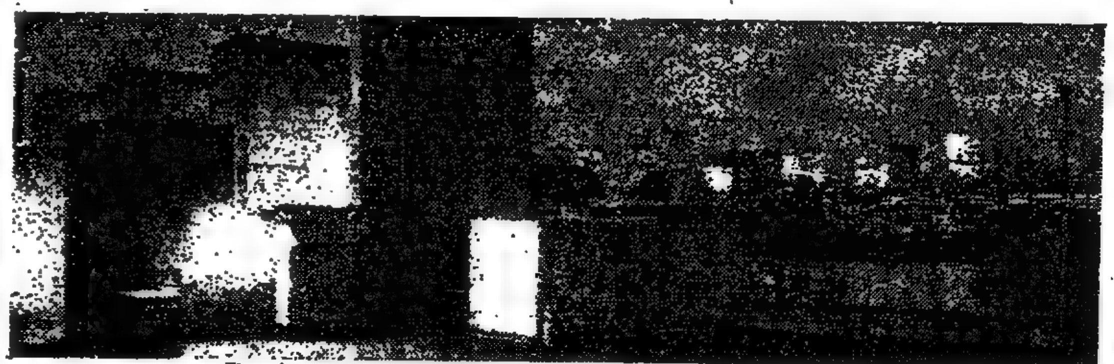

Hamilton Standard's Autosense™ is the world's most sophisticated computerized diagnostic unit for automotive engine analysis.


Our Essex subsidiary produces cable for 1600 telephone companies, and has pioneered in moisture-proof cable for underground installation.


Four-color displays for air traffic control, developed by our Norden Division, give controllers a better perception of information.


The latest U.S. Coast Guard cutters are equipped with gas turbines from our Turbo Power & Marine subsidiary for high-speed operation.


Our Essex subsidiary is the nation's leading independent producer of electrical assemblies for the automotive market.


Electric utilities use our gas turbines in single- and multi-engine plants for peak demand. These units come in modular packages for fast on-site installation.


We'll always be a major force in flight—both military and commercial. Our Pratt & Whitney Aircraft engines power aircraft for 188 airlines around the world.

	1974	1964
Total Sales	$3,321,106,000	$1,235,918,000
Net Income	104,705,000	29,084,000
Business Backlog	3,577,000,000	1,200,000,000

For copies of our latest financial reports, write United Technologies Corporation, Dept. A, Hartford, Conn. 06101

UNITED TECHNOLOGIES™

Pratt & Whitney Aircraft Group • Essex International • Sikorsky Aircraft • Hamilton Standard • Norden • Chemical Systems Division • United Technologies Research Center • Power Systems Division • Turbo Power & Marine Systems • United Technologies International

PARLIAMENT

NHS will benefit when pay beds go, says Mrs. Castle

BY PHILIP RAWSTORNE

THE NUMBER of pay beds in National Health Service hospitals is to be reduced by about 500 within the next few weeks Mrs. Barbara Castle, Secretary for Social Services, told the Commons yesterday.

Consultations would also begin immediately on Government legislation—to be introduced as soon as the Parliamentary timetable allowed—for the phasing out of all pay beds, she announced.

Mrs. Castle also made it clear that the Government intended to increase its licensing powers to ensure a closer control over the development of the private health sector.

Her emphatic policy statement was delivered in response to a Conservative motion—later defeated by 278 votes to 246, a majority of 32—which declared that the abolition of pay beds was "against the interests of the National Health Service, patients and the medical profession."

Mr. Norman Fowler, for the Conservatives, said that the Government's policy would deprive the NHS of income and could only lead to more consultants seeking careers abroad.

But Mrs. Castle retorted that it would end the unfairness of queue jumping and release more facilities, services and staff for the benefit of NHS patients.

Mrs. Castle said the Government recognised that the phasing out of pay beds would involve some loss of revenue. It had decided that the appropriate funds would be made available so that the revenue allocations of health authorities were not affected.

She had also set aside £6m. this year, out of total health expenditure, for allocation to health authorities to finance minor schemes and improvements which could reduce waiting lists.

Mrs. Castle said that the private sector relied heavily on the NHS for certain facilities, including blood, radiography and laboratory testing.

"We are reviewing what facilities, if any, should continue to be made available to the private sector. We would ensure that realistic charges would be made for any services provided. We would not, however, propose to make any charge for blood, other than the cost of services such as cross-matching."

The Government intended to maintain the "amenity beds" system under which NHS patients could have a single or double room for extra privacy for a small fee.

Mr. Peter Viggers (C, Gosport), intervening, said that Mrs. Castle wanted to abolish "decent capitalist" beds while keeping the "commissar" amenity beds.

Mrs Castle said the Tories did not like amenity beds because they attacked the argument that private patients paid for privacy and not for queue jumping.

Referring to her powers to licence private nursing homes, Mrs. Castle said it was necessary to review the powers she had at present and consider their extent and scope. She did not propose to give any details because of the need to consult those interested.

An extension of her powers of licensing would enable the Government to regulate more closely than was possible at present, the operation, extent and development of the private sector.

"I hope that these consultations can be conducted speedily, and I intend as soon as possible thereafter to publish details of the way in which the licensing system will operate.

"In the meantime, to ensure that the operation and development of the private sector proceeds in an orderly way, we intend that the extension of the licensing system should cover all existing nursing homes as well as any new developments or changes of use.

"With this announcement I hope we shall be able to make this separation of pay beds in an orderly way in the interests of all patients in our NHS hospitals." She was not abolishing private practice. What she was concerned with was the integrity of the NHS.

First class letters down 25 per cent.

IN THE four-week period between March 23 and April 19, first-class letter traffic fell by about 25 per cent., and the second-class rose by about 8.5 per cent., MPs were told yesterday. The 7p first-class stamp was introduced on March 17.

Mr. Gregor Mackenzie, Under-Secretary for Industry, stated that during the same four-week period, 40.8 per cent. of letter traffic was sent by first-class post and 59.2 per cent. by second-class. Meter traffic was not included in these figures.

Aggregation plan shelved by Chancellor

MR. EDMUND DELL, the Paymaster General, confirmed in the Commons yesterday that the Chancellor's decision to "lighten the load" on this year's Finance Bill has resulted in the proposal to recommence the aggregation of children's investment income with that of their parents from April, 1975 being shelved.

He told MPs that it would not be possible to introduce the aggregation of children's investment income in the current financial year.

Prior warns on jobs outlook

By Justin Long, Parliamentary Correspondent

THE UNEMPLOYMENT situation for school-leavers at the end of this summer could be more serious than at any time since the war, Mr. James Prior, Opposition spokesman on employment, contended in the Commons yesterday.

Calling on the Government for a more vigorous approach to the problems involved, Mr. Prior clashed with Employment Minister of State, Mr. Albert Booth, over employment priorities.

Mr. Booth, urging MPs not to paint the picture blacker than was necessary, warmly rejected Tory criticism that a deal of Government expenditure to preserve existing jobs had been misapplied.

The help to British Leyland was just such a case of money being wrongly spent, Mr. Prior maintained. The Employment Protection Bill, at a cost of about £100m. a year, was another example of public money being wasted.

Mr. Prior said that the young who suffered most were those of "lower educational attainment." In particular coloured children who were subject to bias and prejudice because of their background.

"For many young people, there is a choice this year between staying on at school, and taking a chance on the labour market. If they take the latter choice, they may become unemployed or they may drift from job to job.

"This is a social situation we should not tolerate, because it can lead to moral degeneration."

Mr. Prior: "It is curious that we can spend vast sums of money on food subsidies and propping up British Leyland indefinitely, but cannot find the money to help school leavers with training or helping to find jobs.

There was almost an embarrasement of ideas on education, careers, work experience and training, but there was no overall strategy. Decisions and direction were needed.

Minister of State for Employment, Mr. Albert Booth, commenting on the Opposition reference to "propping-up British Leyland," said: "It is not merely a propping-up operation.

"It is very much concerned with putting the company on a basis of viability, to maintain the jobs not only of its own extensive work force, but also the many other people working in firms supplying components and distributing its products."

There was strong evidence that the employment prospects of school leavers and young people generally were adversely affected by economic recession to a far greater extent than the majority of adults.

Mr. Booth said young men or women who entered into apprenticeships for long periods of training were more likely to stay in their jobs.

The Government was providing an additional £30m. in the next two years for training developments. The scheme already mounted for apprentices to continue their training would be kept going, and possibly extended.

Plans 'irrelevant and dangerous'

Mr. Norman Fowler, "shadow" Social Services Secretary, had earlier moved an Opposition motion which claimed that the abolition of private beds in the NHS would be against the interests of the Health Service, the patients and the medical profession.

He said that plans to phase out pay beds were not only irrelevant but dangerous to the future of the service. At present there were almost 5,000 private beds available in NHS hopsitals, about 1 per cent. of the total number of beds. This was the tiny target on which the Secretary of State was spending so much time and energy seeking to destroy.

Mr. Fowler said that the Government's proposals could only lead to the tragedy of more and more consultants seeking careers abroad. There had been a five-fold increase in the numbers of doctors taking the examination for entry into the profession in the U.S.

Abolition of pay beds would also deprive the NHS of the income from these beds. At present this amounted to £37 a day in a London teaching hospital, and £26 outside London.

The Government was abolishing pay beds which made a real contribution to the income of the NHS and was planning to extend amenity beds, subsidised, presumably, by the general taxpayer.

Mr. Fowler said that Mrs. Castle was under pressure from some members of the National Union of Public Employees, and had had an ultimatum from the Confederation of Health Service Employees to announce before Thursday her plans to phase out pay beds.

He criticised Mrs. Castle's comparison of action by NUPE and action by the consultants. "This is entirely a phoney comparison."

The consultants had taken action over the terms of their contract of employment and payment for it. This was essentially not what NUPE was doing. "They are making a clear attempt to dictate policy to the Government."

Mr. Fowler: "Their action is not industrial action, but political action." Even those who believed that pay beds should go might nevertheless deplore the actions seen over the last few months.

Mr. Fowler said that the compromise of allowing pay beds in NHS hospitals had been decided by Parliament. He called on the Government to make it clear that any proposals to abolish that policy would be decided by Parliament.

Judge insurance Bill on its merits—Shore

BY JOHN HUNT

THE POLICY HOLDERS Protection Bill, which has come in for severe criticism from the insurance industry, was defended in the Commons yesterday by Mr. Peter Shore, the Trade Secretary, who predicted that the critics would find it had far fewer demerits than they thought.

The Bill, which has been introduced in the House of Lords and has its second reading there to-day, introduces a scheme to give financial assistance to policyholders whose insurance company gets into difficulties, and also allows for such companies to be rescued by the Government in certain circumstances.

According to Mr. Ernest Perry (Lab., Battersea S.)—who is an insurance contractor—disquiet was felt by trade unions about some of the clauses. He asked Mr. Shore to consider their objections very seriously.

Mr. John Stanley (C Tonbridge and Malling) warned him that there was deep concern on both sides of the House about the underlying principles of the Bill. He asked why it had been introduced in the Lords instead of the Commons.

Mr. Stanley also wanted to know whether the Minister would drop the Bill if the insurance industry convinced him of the soundness of its alternative proposals.

Mr. Shore replied that he hoped both Houses would look at the measure on its merits. They should remember the situation which had faced a number of insurance companies over the past year. One could not assume that this situation had entirely disappeared.

The purpose of the Bill was to give a measure of consumer protection to policyholders.

"The scheme we have put forward is one which, on examination, will be found to have far less demerits than many people suspect, and far more merits than most people acknowledge," he argued.

Mr. Robert McCrindle (C., Brentwood and Ongar) claimed that almost all the insurance industry was opposed to the Government's proposals. It was not too late for the Secretary of State to try to reach an agreement with the insurance companies.

The Bill as it stood would only encourage insurance companies to offer uneconomically low terms to policyholders, knowing full well that if the company got into trouble, it would be bailed out by the contributions of other policy holders.

Mr. Shore replied that the insurance companies' alternative scheme, which had been put forward rather late in the day, had fundamental weaknesses. It was open to precisely the same objection that Mr McCrindle had made against the Government's Bill.

He was willing to consider whether the industry and the Government could resolve particular difficulties, but thought that the fears of the industry were based on a misunderstanding of certain features of the Bill

Left opposes arms spending

By Richard Evans, Lobby Correspondent

THE TRIBUNE Group of Left-wing Labour MPs last night decided to press their own amendment to the Government's resolution approving the defence estimates, which is being debated in the Commons to-day and tomorrow.

The amendment opposes the estimates because "in the present critical economic circumstances the Government proposes an increase in arms expenditure in real terms over future years."

The amendment, if it is called will enable the Left-wingers to oppose the Government's defence policy without risking a Government defeat. If the amendment is not called by the Speaker, it is unlikely that more than a handful of Tribune MPs will join the Conservatives in opposing the Government.

The Tribune amendment claims that the estimates show that Britain is committed for the next 10 years to spend a higher proportion of gross national product on defence than any of our main European allies; that the Government has failed to propose big reductions in important weapon projects; and that defence policy still leaves Britain with unjustified commitments east of Suez.

THE EEC REFERENDUM

Opinion poll shows Scots are evenly divided

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

ANTI-MARKET campaigners, who have assumed that Scotland would prove to be one of the least enthusiastic parts of the U.K. on the EEC issue are being galvanised into action by the fresh evidence, only a month before the poll, that Scottish voters remain almost evenly divided about Britain's membership.

The latest opinion poll, conducted for the Glasgow herald by the Dundee-based System Three organisation, shows that 39 per cent. of the voters want to remain in the market, while 38 per cent. wish to withdraw, with 23 per cent. undecided.

This represents a two-point improvement for both the pro- and anti-Market camps since the poll last month, with a consequent reduction in the size of the undecided contingent from its high point of 27 per cent. in April.

It also means that the potential Scottish Yes vote has strengthened by 10 per cent. from 29 per cent. since February when the poll began, and that while there has also been a late rally of the potential No vote, it still remains well below its February peak of 45 per cent.

It is clear that a critical point has now been reached in what so far has been a relatively low-key Scottish campaign. The anti-Marketeers expect, however, to start gaining substantial ground from now on.

The latest poll was not affected, for instance, by the significant weekend broadside fired against the Market by Mr. William Ross, Secretary for Scotland, speaking to his Kilmarnock constituency Labour Party. Mr. Ross, who was one of the seven cabinet ministers to vote against the renegotiated package, said there had been "no radical change" in the entry terms.

He claimed that Europe's "monstrous bureaucracy" retained power to challenge industrial, regional and fishery policies and that a Yes vote would extend these powers to steel and energy. Scotland was on the fringe of Europe and would lose out, he said, adding: "The fact is, we were conned into Europe and those who conned us are seeking to terrify us to keep us there."

Among Scots Labour voters the intervention by Mr. Ross could act as a considerable counter-weight to the authority of the Government's majority recommendation to stay in the community. This will be particularly true if the Scottish Minister decides, somewhat against expectations, to speak regularly against the Market during the referendum campaign.

He has been invited to do so by the Scottish TUC, which is now organising a series of major trade union rallies in Glasgow, Edinburgh, Dundee and Aberdeen towards the end of this month. The STUC is also encouraging its 48 local trades councils to distribute a series of three anti-market leaflets dealing with the sovereignty, prices and economic issues.

This Thursday, the Scottish National Party will also launch its contribution to the anti-Market campaign, under its slogan "no voice—no entry." The party will be highlighting its theory that an independent Scotland would have negotiated a substantially better entry deal and that if the U.K. remains a member, Scotland should have separate representation at Brussels.

Finally, the anti-market camp, which has been complaining bitterly about the lack of support offered by Scottish newspapers, has been heartened by the unique anti-EEC stance adopted by the Scottish Daily News, the new mass-circulation workers-controlled morning paper launched in Glasgow on Sunday.

Thousands of jobs at stake if we leave, say Marketeers

BY RICHARD EVANS, LOBBY CORRESPONDENT

LEADING Labour and Conservative pro-Marketeers joined forces yesterday to emphasise the damaging effect on employment prospects of a withdrawal from the EEC.

Mr. Edward Heath, the former Conservative leader, said in his Bexley constituency that the question of Britain staying in or pulling out of the Market was linked directly to people's jobs.

"The blunt truth is this: the jobs of thousands of men and women, and the livelihood of thousands upon thousands of families, are now inextricably tied up with our membership of the EEC," said Mr. Heath.

He believed that there were some people in Britain who like to see thousands of work people threatened with the lay-off. "Mr. Benn is one of them — it gives him the excuse he needs to move in and take over. That is the political danger of high and prolonged unemployment."

Mr. Reg Prentice, the Education Secretary, said at a Britain in Europe rally in his Newham constituency that leaving the Market would mean less investment, less jobs and higher prices.

"Our economic struggle — which will be a tough one in any case — will become very much harder."

He remained convinced that an economic divorce between Britain and the Market would have a disastrous effect. Our economic position would become very much worse, and our prospects of paying our way would be badly damaged.

Disruption

Mr. Robert Carr, the former Conservative Home Secretary, also highlighted the effects of withdrawal on employment prospects. He thought, full employment was one of the biggest single questions at stake in the forthcoming referendum.

Speaking at the Newham rally, Mr. Carr said the number of jobs which factories in Britain could provide depended on the quantity of goods they could sell, and absolutely unrestricted access to the largest possible market was therefore more important to Britain than to almost any other country.

Mr. William Whitelaw, the Conservative deputy leader, challenged the anti-Marketeers to state how the disruption of leaving the Common Market could be justified by viable alternative trading arrangements.

He also wanted to know which countries the anti-Marketeers would like to trade with if Britain left the EEC.

As part of the Common Market trading bloc, Britain shared the influence of a prosperous group of 255m. people, and even the most optimistic anti-Marketeers could not claim we should carry much weight if we stood outside this group, or that our future trading and job prospects would be anything but fraught with uncertainty should we leave, Mr. Whitelaw argued.

Pro-market line changes every month—Mikardo

PRO-MARKETEERS change their propaganda line from month to month, leading anti-Market Labour MP Mr. Ian Mikardo claimed last night.

"In March, they said we ought to stay in the Common Market because it's good for us.

"In April, they abandoned this manifestly untenable line instead: they said we ought to stay in the Market not because it's good for us, but because we'll be worse off outside it," he said at Guildford Civic Hall.

"In May, they've got a new line. Now they're telling us that we ought to stay in the Market not because it's good for us, but because the Russians want us to come out."

There was "obviously a great need for Jim Callaghan and Denis Healey to meet their pro-Market colleagues Ted Heath and Lord Hailsham to decide among themselves which of their stories they're sticking to."

Mrs. Renee Short, Labour MP for Wolverhampton N.E., accused the media of a brain-washing campaign.

She told an anti-EEC rally at Anerley Town Hall, South London: "The point of pro-Market propaganda being poured out by the Press, TV and radio has now become a conscious concerted campaign to brainwash the long-suffering British people into believing that they have no choice on June 5."

An order to be made under the Referendum Bill will permit MPs to attend both the preliminary verification of ballot paper accounts for areas within their constituencies, and the counting of votes. Mr. Edward Short, Lord President of the Council, said in a Commons written reply yesterday that the Order will also empower the Secretary of State to arrange for people to be appointed to observe these two stages, subject to a limit of one observer for each two counting clerks. Britain in Europe and the National Referendum Campaign had been invited to nominate observers.

Peers allow Referendum Bill through

By Justin Long

THE REFERENDUM Bill for the June 5 nationwide voting on Britain's Common Market membership was assured a safe passage through the Lords to-day when Opposition peers last night refrained from calling divisions on the crucial committee stage.

Government amendments agreed in the Commons—in particular for voting by countries—were approved by the Lords. But the Opposition did not press the demand for British nationals in Europe to be given a vote after Lord Harris, Home Minister of State, told peers that such an arrangement could prejudice the date of the referendum.

Lord Harris said that under the decentralised polling arrangements there would be nearly 70 separate counts. The overseas services vote would be aggregated with the votes cast in Greater London

Pro-marketeers accuse Shore of 'innuendo' in Commons

BY JOHN HUNT

MR. PETER SHORE, the strongly anti-EEC Secretary for Trade was accused of "blatant innuendo" by the Tories in the Commons yesterday over the way in which he answered questions on the Common Market.

Angry Conservatives tried to raise the matter with the Speaker, Mr Selwyn Lloyd, but he ruled that it was not a matter for him.

Mr. Shore, goaded on by anti-Marketeers and obviously enjoying himself, brushed aside the criticisms and seemed to shrug off the guidelines laid down by the Prime Minister, on the procedure for Ministers answering questions on the Market.

The guidelines state that in such cases Ministers should confine themselves to stating the Government's position and should not be drawn into making points against the Government's recommendations.

Mr. Shore declared cheerfully: "When I am speaking from the Dispatch Box of course I reflect the Government's policy as a whole—except when I am clearly reflecting my own policy."

He said that Britain's trade deficit with the EEC, based on figures for the first quarter of this year, is now running at an annual rate of £2,400m. He claimed that 99 per cent. of our non-oil trade deficit was now attributable to the EEC.

The Trade Secretary also gave strong indications that he considers there is every possibility of Britain negotiating a satisfactory free trade agreement with the EEC should we decide to withdraw.

He told Mr. Neil Marten, the veteran Conservative anti-Marketeer, that although it was not possible to identify with certainty the effect that entry had had on our balance of trade, there was no doubt that the trade deficit with the EEC had substantially worsened.

Mr. Marten recalled that the 1971 White Paper had predicted that entry would have a "positive and substantial effect" on our trade position. Replied Mr. Shore: "I find the more extreme faith of the pro-Marketeers very difficult to take seriously at all."

This was particularly so in the light of the strong claims that were made about the "alleged benefits" promised in the 1971 White Paper. These claims had been "very seriously disproved by the actual experience of membership."

The senior anti-Marketeer on the Labour benches, Mr Douglas Jay, asked if he saw any evidence of our trading position with the EEC improving as we move from the short-term to the long-term.

The Trade Secretary retorted: "No sir, the fact of the matter is that there had been a progressive deterioration in our balance of trade with the EEC and that the £2,000m. deficit chalked up in 1974 is running at the annual rate of £2,400m. in the first quarter of 1975."

Mr. Terence Higgins, the Conservative "shadow" Trade Secretary, accused him of "blatant innuendo" and said this was one of the sensitive type of questions that should have been transferred to the Foreign Office under the Prime Minister's guidelines. To quote the EEC deficit figures without putting them in the context of Britain's overall deficit was "grossly misleading."

But an unrepentant Mr. Shore said that he had not found it necessary to transfer any of his questions. Apart from our oil trade we were virtually in balance of trade with the rest of the world. But, on the best available figures, 99 per cent. of our non-oil deficit was now attributable to trade with the EEC.

Asked what benefits a free trade area arrangement with the Community might have, he said we would not have to pay a budgetary contribution. We would be able to make our own arrangements about the free movement of cattle, we would not have to bring ourselves within the Common Agricultural Policy and "I can think of a few others as well."

There might well be different views about how satisfactory a free trade agreement might be. "But I am not aware of any serious body of opinion that does doubt that we can in effect conclude a free trade agreement with them."

APPOINTMENTS ARE CONTINUED TO-DAY ON PAGE 28

Carrefour 'forced' to raise bread price

BY ELINOR GOODMAN

A HYPERMARKET group claimed yesterday that Government policy was forcing it to charge more than necessary for a loaf of bread. Carrefour, which operates the 50,000 sq. feet hypermarket at Eastleigh in Hampshire, said that as a result of the Government's legislation restricting the level of discount bakers are allowed to give to retailers, it was going to have to sell bread at 2½p above the price it would otherwise sell it at. This meant that instead of raising the price yesterday by ½p like most retailers, it was having to put the price up by 2½p to 15p.

The Department of Prices dismissed the allegations as "somewhat exaggerated" though it admitted that a junior official had made a mistake.

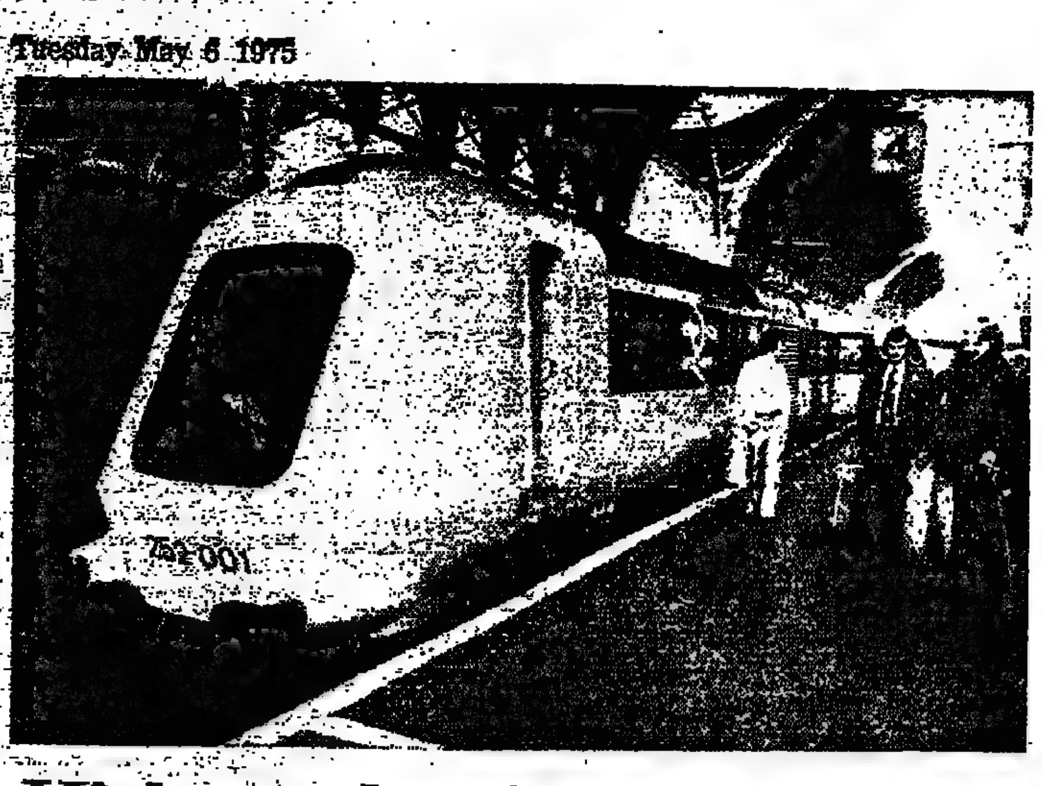
The dispute centres on the paragraph in the bread subsidy scheme which prevents bakers giving retailers a discount on their purchases of more than 22½ per cent. This restriction was written into the subsidy legislation to prevent manufacturers using the subsidy payments to "buy" distribution by offering high discounts.

Certain exemptions, however, were made to the discount legislation when it was introduced in February. Small plant bakers, for example, were exempted from the scheme and it is this exemption which caused the Carrefour problem.

Carrefour bakes some of its bread on the premises while the rest is supplied by a small plant baker, Associated Family Bakers, at a discount of over 30 per cent.

Three weeks ago the Department of Prices exempted Associated Family Bakers without appreciating the envolvement of Carrefour's. When this was discovered, the Department wrote to Carrefour telling it that in future its discounts, like those of all other supermarkets, would be restricted to 22½ per cent.

Carrefour, which prides itself on its cheap prices and is in the vanguard of retailers campaigning for planning permission on hypermarkets, yesterday said the situation was "ridiculous," particularly in view of the Government's declared aim of keeping food prices down. The Department of Prices replied by pointing out that there was nothing in the legislation to prevent the supermarket taking a lower profit margin on bread.



High-speed train makes debut

FINANCIAL TIMES REPORTER

British Rail's prototype high speed train made its first public run yesterday between Bristol and London Paddington.

The train, designed to travel at a maximum service speed of 125 mph, will operate on the London, Bristol and Weston super Mare route but will be confined initially to the normal Inter-City top speed of 100 mph. Higher speeds would disturb timings of other trains on the route.

During extensive trials on Western, Eastern and Scottish Regions the prototype has covered 120,000 miles and set the world speed record for diesel traction of 143 mph.

The first of 27 production models now under construction will begin to take over from existing diesel-hauled trains next year on the main Inter-City routes between London, Bristol and South Wales.

Journey times will be cut under new timetables to be introduced in October 1976 when the best travel time from London to Bristol Parkway will come down from 1 hour 35 minutes to 1 hour 17 minutes. The normal fastest time from London to Cardiff will be clipped by 22 minutes to 1 hour 53 minutes.

Fishing boat skippers face damages claim

BY OUR SOUTH SHIELDS CORRESPONDENT

OWNERS and skippers of more than 40 fishing vessels which twice recently blockaded the Tyne are facing a big claim for damages.

A. Ogden and Sons (Excavations), of Otley, Yorkshire, have served a High Court writ claiming the damages on the grounds that the blockades interfered with its business.

Ogden is excavating 1½m. tons of earth from the site of a new sewage works on the river, dumping the spoil out to sea in hoppers. The job was stopped when the fishermen put their boats across the river. The claim for damages is believed to run to many thousands of pounds.

Mr. George Harvey, secretary of the North Shields Fishermen's Association, said that the claim would be "fought all the way."

Fishing boat skippers at North Shields are paying just under £30 each—more than £1,300 in all—to settle all legal costs incurred when the Port of Tyne Authority obtained an injunction against them last month. They agreed to pay the bills if the Authority dropped all damage claims.

Some skippers still face legal action by the Tyne Pilotage Authority over damage to a pilot cutter during a blockade-running incident. Mr. Richard Marshall, secretary of the Authority, said yesterday that proceedings were going ahead.

TOLMERS SQUARE SQUATTERS

Nine squatters in Tolmers Square, north west London, are facing eviction following High Court decisions last Friday and not 81 as stated in yesterday's edition. The court rejected an application to evict eight other squatters; the cases covering the remaining 64 squatters are still to be heard.

South-East Asia shipping conference

A SOUTH-EAST ASIA shipping conference is being organised by the Financial Times at the Shangri La Hotel, Singapore, on June 19 and 20, 1975.

Mr. Yong Nyuk Lin, Minister of Communications for the Republic of Singapore, will discuss his Government's policy towards the shipping industry in the opening address, and the problems of free passage and governmental control of navigation in the waters of the Great Asian Archipelago will be reviewed and debated by Ambassador Arturo Tolentino, Head of the Filipino Delegation to the Law of the Sea Conference.

Other papers will be presented by Tunku Achmad Rithaudeen Al Haj bin Tunku Ismail, Minister of Special Functions and Information, Malaysia; Mr. H. O. Karsten, chairman, Far Eastern Freight Conference; Mr. Tan Eng Joo, chairman of the National Shippers Council, Singapore; Mr. Bruce Rappaport, vice-president, International Maritime Bank of Geneva; Mr. Hussain Najadi, charman and managing director Arab investments for Asia, and Mr. T. Yamada, executive managing director of the Shipbuilders Association of Japan.

APPOINTMENTS

Expansion of Matthew Hall U.S. Board

Mr. A. L. Smalley Jnr. has been appointed president of MATTHEW HALL INCORPORATED, the Houston, U.S.-based member of the Matthew Hall group. Mr. H. Bailey, Mr. B. E. Burns, Mr. D. E. Clancey and Mr. J. M. Robinson have joined the Board of the U.S. concern.

★

Mr. H. N. L. Keswick, Mr. J. A. Swire and Sir Philip de Zulueta have joined the Board of the BRITISH BANK OF THE MIDDLE EAST.

★

Mr. J. A. W. Castle and Mr. B. R. Perry have been appointed directors of HOGG ROBINSON TRANSPORT.

★

COMMERCIAL UNION ASSURANCE COMPANY has made the following appointments to the risk management services division of international management. Mr. A. L. Bristow becomes finance manager; Mr. P. McNally, marketing manager; and Mr. J. A. Wheeler, technical services manager.

The company has formed Commercial Union Risk Management to market consultative and technical risk manegement services. Mr. K. J. Duffy will be managing director of that concern and Mr. Bristow, Mr. McNally and Mr. Wheeler are directors.

★

Mr. A. F. Hughes-Gibb has retired as chief executive of HUGHES-GIBB AND CO., but remains on the Board as honorary president. Mr. R. J. McCreery becomes chairman and Mr. R. W. Barklam, managing director. Mr. C. B. Slater and Mr. C. J. Hodgson have been appointed to the Board.

★

Mr. Arthur Nelson has resigned from the Board of WHESSOE.

★

Mr. Geoffrey Barnett has been appointed general manager of the new Singapore branch office of BARING SANWA MULTINATIONAL. He has been seconded from Baring Brothers and Co., London., to take up that post.

★

Mr. Philip Kemp has been appointed joint managing director of JACKEL AND CO. /

★

Mr. Philip Norman has joined the Board of CONSTRUCTORS JOHN BROWN.

★

Mr. Alex J. Laker has been appointed a director of the NATIONAL EXHIBITION CENTRE. Mr. Laker is managing director of GKN Fasteners and a vice-president of the Birmingham Chamber of Industry and Commerce which nominated him to the vacancy created by the resignation of Mr. G. F. Cole.

★

Mr. H. Tyler, having retired from HERCOCK SIMPSON (HOLDINGS) has relinquished his directorships in Hercock Simpson Limited, T. Simpson and Co. (Nottingham) and William Gell. Mr. Peter Tompkin and Mr. J. C. S. Ellis have joined the Board of Hercock Simpson Limited. Mr. F. G. Darby has become a director of Hercock Simpson (Haulage) and Hercock Continental. Mr. G. E. Dalby is now secretary of Hercock Simpson Holdings and its associated companies.

★

Mr. E. S. Olsen has resigned as a director of the PATENT INDUSTRIAL GROUP.

★

Mr. W. J. Bouzan has been appointed to the Board of J. E. SLATER as marketing director.

★

Mr. R. T. Davies has been appointed to the Board of the J. E. LESSER GROUP and continues as managing director of two member companies.

★

Mr. Mark St. Giles has been appointed to the Boards of HEREDITAMENTS, Allied Investors Trusts and Hambro Unit Trust Managers.

★

Mr. Norman Loakes, managing director of MCJ Foods, has joined the executive committee of the BRITISH FOOD EXPORT COUNCIL. He is also to take the chairmanship of the Council's EEC regional sub-committee.

★

Mr. G. W. Petts has been appointed deputy managing director of ROBERTS ADLARD AND CO. Mr. T. L. Davies has resigned as secretary and is replaced by Mr. M. Gathercole.

★

Mr. Robert I. Buck has been appointed to the Board of ALLIANCE ALDERS PAPER AND PACKAGING and remains secretary to the company. Mr. Harold Percival has been appointed a director of Alliance Box Co. (Midlands) and Alliance Box Co. (Scotland) in addition to his appointment as a director of Alliance Box Co.

★

Mr. Peter F. Green has been appointed managing director of the vehicle distribution division of LCP HOLDINGS. On June 30, following the retirement of Mr. Jack Parker, he will be elected chairman of this division and to the Board of LCP Holdings.

★

Mr. J. T. Little and Mr. D. McLaren have retired as directors and Mr. J. A. K. Lamont as secretary of JAMES M. MACALASTER AND ALISON.

★

Mr. M. A. Adam, Mr. S. Orr and Mr. D. C. Steele have become directors, Mr. R. R. Paton an associate director and Mr. W. T. Howie secretary of the company. Mr. A. W. Murray has been appointed chief executive.

HOME CONTRACTS

£1m. Electricity Board order goes to ICL

ICL has received an order worth £1m. from the North Eastern Electricity Board for a 4/72 configuration to augment its existing 4/70. The new equipment will be delivered this year and commissioned alongside the 4/70 at the Board's headquarters in Newcastle upon Tyne.

★

HICK HARGREAVES, part of the Electrical and Industrial Securities Group, has been awarded an order worth £500,000 for the total waterflood system for Occidental's Claymore field. This involves the filtration, de-aeration and chemical treatment of large quantities of seawater prior to its injection into the oil reservoir. This prevents the reservoir pressure from falling, maintains the rate of production and increases the amount of oil which can be obtained.

★

VOITH ENGINEERING, Thornton Heath, the U.K. subsidiary of the German-based Voith Group, has won a £400,000 order to supply automatic gearboxes for 172 British Leyland Atlantean buses, which are being produced for the Irish passenger transport undertaking, Coras Iompair Eireann. Due for delivery during the next 12 months, the transmissions are being manufactured in Germany.

★

FERRANTI, Edinburgh, has been awarded a contract by the Ministry of Defence procurement executive to proceed with the full development of a Position and Azimuth Determining System (PADS). The system is designed to meet the British Army requirement for a vehicle-mounted survey and navigation system, which will be used primarily to provide artillery units with rapid position and orientation data for guns, launchers, observation posts, locating and surveillance devices.

★

Following an order for five BAC One-Eleven aircraft from the Romanian national airline, Tarom, the British Aircraft Corporation has placed orders with PLESSEY AEROSPACE, Titchfield, for mechanical and electrical equipment worth more than £200,000. This will comprise constant speed drive starters, electrical generators, fuel pumps, flexible hoses and electrical components.

★

WM. NEILL AND SON (ST. HELENS), part of the Capper-Neill Group, has been awarded a £175,000 contract by Laing Offshore for the design, manufacture and supply of eight nodes for use at the Thistle field in the North Sea. Each node accomodates the horizontal, vertical and diagonal struts of the oil production jacket. Delivery will be phased over the next few months, the final node being supplied by September. The jacket, when construction is complete, will be floated out to the Thistle field by spring 1976.

★

METERING PUMP, part of the Mono Group, has won an oil production platform equipment order worth more than £100,000. The company will supply a complete packaged plant comprising 46 metering pumps, 30m.³ capacity stainless steel storage tanks, valves and pipework for the Dunlin field production platform. The contract has been placed by Shell U.K. Exploration and Production, acting as operator on the field for the Shell/Esso joint venture and the Conoco/Gulf/NCB group.

★

B. M. COATINGS, Manchester, has received a three-year contract to supply PVC-coated nylon fabric for British Rail wagon covers.

Lower oil demand hits Forth ports

The Forth Ports Authority, which includes the docks at Grangemouth and Leith, made a net surplus of £971,000 last year in spite of a 400,000 tonnes drop in cargo largely because of the shrinking demand for oil.

Mr. Gerald Elliot, chairman of the Authority, said that although a target of 10 per cent. return on capital employed had been achieved, it might still not provide sufficient funds to replace assets and make improvements.

Prospects for this year were also poorer, with smaller tonnages passing through the Forth ports.

The Authority's operating surplus before interest charges and depreciation last year came to £3.04m., an increase of £285,000 over the previous year.

Traffic passing through Grangemouth, a major oil and petroleum products port, totalled 6.96m tonnes. Leith handled just under 2m. tonnes.

The Executive's World

EDITED BY JAMES ENSOR

The threat of 'Benn Bonds'

BY DRYDEN GILLING-SMITH

THE HINT that pension funds and insurance companies may be compelled to hold part of their assets in the form of loans to the National Enterprise Board, as indicated in Mr. Wedgwood Benn's recent paper for the Labour Party's Industrial Policy Sub-Committee, has so far attracted more attention on the general economic front than for its possible effects on individual pension funds and on the expectations of employees and pensioners drawing benefits from those funds. Without at this stage attempting to argue the case for or against such a policy I propose this week simply to itemise the main factors involved, many of which are often overlooked in general discussion.

Money

Firstly, how much money is likely to be involved? Various estimates have been made of annual flow of pension fund contribution income less benefits whether paid into self-administered funds or insured schemes. Forward estimates put the 1975-6 figure at around £2bn, but these estimates assumed operation of the Keith Joseph Social Security Act which would also have generated some £250m. a year contributions to a funded State Reserve Scheme. Not only has the latter been chopped by Mrs. Castle, but her own substitute plan could well result in the replacement of a slice of invested occupational pension contributions by "investment" in the Castle Reserve Scheme, which in fact means non-investment.

Although the flow of money into pension schemes should, apart from adjustments to allow for these factors, increase at a faster rate than earnings to the extent that company schemes steadily improve, any restriction on the freedom of investment could reduce this expected flow in a number of ways. Experience in certain European countries where attempts have been made by the state to allocate pension and insurance funds on non-investment criteria means that the official bodies receiving such funds are able to offer lower rates of return than they would have to offer to attract those funds in a free market. The pension fund actuary who has to take a long-term view of future investment earnings could therefore be forced to assume a lower rate of return in valuing pension funds if he knows that X% of new money may have to be allocated to "Benn Bonds."

Return

The member of a pension fund and the pensioner may not be directly concerned with this investment return. However, if they consider that their employer is providing the best pension scheme that he can afford, then the compulsory provision of money at favourable rates to the National Enterprise Board inevitably means that the employer will either have to pay more in contributions or to cut benefits. If he pays more then it can be argued that this money might otherwise have been used to improve the existing scheme.

Cost of living increases for existing pensioners are in many company schemes provided on a discretionary basis, which often depends on the fund's performance. A cut in the rate of return could therefore have adverse effects on many of to-day's pensioners.

The argument that pension funds ought to be compelled to put their money where the government of the day would prefer to have it is not new. In the first blueprint for the Crossman pension plan Mark 1, two authors of the 1955 Fabian pamphlet *New Pensions for the Old* suggested the nationalisation of all existing funds so that the money could be invested in the interests of the "workers," for example, cheap loans to nationalised industries.

It was quickly pointed out that an immediate conflict of interest arose between the interests of employees as prospectives pensioners, which could best be served by maximising the rate of return even though all the money went into Japanese industry, and the interests of employees who presumably would have their jobs safeguarded by working in industries that would not be viable unless supported by money at subsidised rates of interest. This highly controversial proposition was dropped by the time Crossman Mark I was adopted as official Labour Party policy, presumably as a precautionary measure to make the document more politically acceptable.

The amount actually paid into a pension fund does depend on the actuary's recommendations, and murmurings have already been heard by some actuaries to the effect that in periods of poor investment opportunity it makes more sense to retain money in the company rather than put it into the pension fund. There is no statutory compulsion as yet on employers to fund future pension liabilities, although most employers feel that it is prudent to do so. The general feeling that a substantial slice of pension fund money was going to be handed out as charitable payments to lame ducks could lead to a general shift of opinion in favour of retaining maximum reserves inside each company as opposed to channelling such funds through formal investment routes where Tony Benn could take his cut.

I agree that there are a host of objections and practical problems posed by such an approach, but even a modest shift of opinion in this direction could lead to a substantial drop in pension fund money flowing through normal market channels. Not only would the National Enterprise Board lose out, but so would other businesses competing for pension fund money.

Unfortunate

It would be rather unfortunate if, at a time when companies with pension funds are increasingly sitting up and taking notice of the rate of return of their pension funds as an important input in overall business cost equation, and at a time when an increasing number of employee organisations are seeking representation on pension fund investment committees in order to satisfy themselves that their members' retirement savings are being fruitfully husbanded. If Government policy were to make such interest irrelevant and give rise to a general feeling of cynicism about pension funds being Tony Benn's milch cow.

State gets into chemicals

BY RAY DAFTER

AT FIRST sight, it may seem incongruous that one of the organisations currently evaluating the construction of a £150m. to £200m. ethylene plant is the British Steel Corporation, or, to be more specific, its chemicals manufacturing arm, BSC (Chemicals).

Ethylene is one of the basic building blocks of the petrochemicals industry, which may seem a far remove from the traditional, if incidental, tar-based chemicals interests of the steel industry. In the past, steel producers' involvement in chemicals stemmed from the fact, that in producing coke for blast furnaces, they found themselves with by-products which were — and are — valuable chemical raw materials.

Benzole

This year, for instance, BSC (Chemicals) will process around 140,000 to 150,000 tons of crude benzole which, in turn, provides benzene, toluene and xylenes and other chemicals used for fertilisers, plastics, synthetic fibres and agricultural chemicals. Although no-one would contemplate using coke ovens specifically to produce chemicals, the method has been made more attractive by the big increases in oil prices (petrochemicals being the alternative) which has led to a fourfold increase in benzene prices in the past 18 months to two years.

Then, again, BSC (Chemicals) processes between 500,000 and 550,000 tons of tar each year. While it is still in the road tar business it is progressively upgrading some products into higher-value materials, like aluminium electrode pitches.

Not surprisingly, BSC is the market leader in tar chemicals, accounting for over 50 per cent. of the U.K. tar processing business. (The main competitors are the National Coal Board, Midland-Yorkshire and Coalite.) But the growth of tar-based chemicals is clearly limited by the comparatively small rise expected in coke production. Since 1957, indeed, the production of crude tar has been declining steadily, in line with the change-over from "town" to natural gas. That year, the tar output was 3.2m. tons, while in 1974 it was a shade over 1m. tons. This is one reason why BSC (Chemicals) wants to spread its wings.

It is not, however, planning to embark on major petrochemicals expansion on its own. The ethylene plant is being evaluated in conjunction with BSC's established partners, the National Coal Board and Continental Oil. Apart from giving BSC access to new chemicals feedstock—NCB and Conoco each have substantial North Sea interests — the consortium should also benefit from Conoco's petrochemicals experience.

In some ways the grouping of these three undertakings provides a hint of why BSC's interests already range far beyond coal-based chemicals. Its business has evolved from a combination of the lack of logic in the details of nationalisation, joint ventures and deliberate diversification.

Mr. Edward Summers, managing director of the Steel Corporation's chemical business, was, himself, "nationalised." A metallurgical chemist by training, he was joint managing director of Stanton and Staveley, a wholly-owned subsidiary of the Stewarts and Lloyds steel company of which he was also a director.

In this capacity he was in part responsible for the formation of Staveley Chemicals and Vinatex, two of the chemical companies with which BSC is currently involved along with the NCB and Conoco, which are already producing chemicals not derived from coal.

Ethylene

As one of the few manufacturers of PVC plastics in the U.K., Vinatex is currently forced to rely on outside suppliers (mainly ICI) for its raw material —vinyl chloride monomer. This is another reason why BSC, and its partners, are examining the possibility of an ethylene plant, for it would help to secure feedstock for PVC and possibly other plastics in which they might become involved.

Nevertheless, it is fully recognised that BSC (Chemicals) is planning to take a major step which will fundamentally alter its complexion. It will also test the parent corporation's attitude to its comparatively minor chemicals offshoot.

If the ethylene plans come to fruition, it will be the first time that the chemicals business will have needed to step outside its own resources for capital. Its biggest individual project to date is currently being undertaken at Orgreave, near Sheffield, where 43 coke ovens are being replaced at a cost of about £7m. Extra tar and benzole capacity is also planned to process increased crude arising from BSC's development plans.

But the building of a cracker, the ethylene plant, at a cost of between £150m. and £200m., is

Mr. Edward Summers

clearly an ambitious step for a company the size of BSC (Chemicals), even if undertaken on a joint basis with other companies.

The company has a current annual turnover just short of £50m. (over £80m. when associated interests are taken into consideration). It employs about 1,800 people on its own account (nearer 3,000 when associated companies are included). On the other hand, it is one of the more profitable sectors of the British Steel Corporation. In 1973/74, its turnover of £27.3m. represented just 1.7 per cent. of the Corporation's sales while its operating profit, £3.6m., was almost 4 per cent. of BSC's total. The past year's chemical performance should be even better if the results of other companies in the industry are anything to go by.

The chemicals business sees no reason for conflict with the Corporation's Board over the expansion plans, despite the demand for capital from the steel making side of the business. Sir Monty Finniston, BSC's chairman, is on record as supporting the proposals, at least in outline.

Sir Monty has said that, assuming current studies confirm that the project would be both technically and economically viable—"and I believe they will do so"—it was hoped that some decision to go ahead would be made by the three parties somewhere around the end of 1975.

This timescale is roughly in line with that envisaged by the larger and more orthodox chemical companies—Shell, ICI, BP and Dow, for instance—which are also evaluating plans for a new ethylene plant. Market forces require the sanctioning of only one new cracker in the U.K. next year. Whether it is to be built by the BSC/NCB/Conoco group or one of the others depends partly on which is first to announce a decision. More fundamentally, however, the decision will rest on the economic assessment of the various projects and the groups' ability to use or sell most of the products within a short period after commissioning. Crackers are too expensive to run at half-steam for long.

Mr. Summers concedes that his tripartite group would probably need only half of the ethylene output from its proposed plant. As yet it would have no use for any propylene which may come out of the cracker as part of the operating cycle. One the other hand he is confident the group could sell the balance of materials on the open market.

Consortium

It may be that the joint arrangement will be extended even further: with the partners building the plant in association with another company or consortium. Some in the industry would argue, however, that too many companies can spoil the smooth running of such a complex operation. Thus, ICI and BP clearly found it difficult to come to terms with Shell over the planning and operation of a £100m. cracker currently being built on Teesside. Shell dropped out of that scheme.

Mr. Summers, however, would be undeterred by the possible complications of a joint venture. As the accompanying diagram indicates BSC (Chemicals) already has plenty of experience in this respect.

But it is obviously one of the factors raised in talks with Government officials in recent months. And here might lie the consortium's trump card. Mr. Anthony Wedgwod Benn, Secretary for Industry, has said that he wants to see greater public sector involvement in basic industries, such as chemicals. An ethylene plant involving BSC and the NCB would help to fulfil that aim. It would also strengthen BSC's bid to steer its chemical interests more towards "co-products" than "by-products."

It's all in the name

THE REFERENCE by Mr. Justice Graham to the dispute between EMI and CBS concerning the use of the name Columbia on gramophone records, should give the European Court an opportunity to clarify its previous trade mark decisions. The Court will deal with this as the EEC Commission issues a "green" paper on the introduction of an EEC trade mark.

The EMI/Columbia case is similar to the Café Hag case. By deciding that Van Zuylen Frères, the owner of the Belgian trade mark "Café Hag" has no right to stop imports of Café Hag products from Germany where the trade mark is held by the original Hag A.G., the European Court settled a case between two holders of identical trade marks of common origin, registered in two member States of the EEC. The Belgian trade mark was originally held by the local subsidiary of the German company and after sequestration as enemy property was acquired by Van Zuylen Frères.

The Café Hag decision is likely to concern only a small number of companies which have been marketing their products internationally for some decades at least. A much more common situation is where the same brand name has been used in two different countries without being of common origin.

Subsequently, in its *Centrafarm* decisions, the European Court drew a distinction between patents and trade marks. The Centrafarm/Sterling Drug judgment includes the reassuring statement that patent rights cannot be ruled out on the grounds that they impede inter-State trade as long as the original owners of these patents are legally and economically independent. Unfortunately, no such statement was made in the parallel Centrafarm/Winthrop judgment concerning the trade mark "Negram."

The Court has left this an open question. Will it now go further and confirm fears that national trade marks will cease to be a defence against imports of identically branded goods even if the trade marks are of independent origin and the owners remain unconnected? Officials in Bonn and Brussels now say that Cafe Hag was the limit and that the Commission will not want to go any further in restricting the territorial protection of national markets. The European Court now appears to be waiting impatiently for an opportunity to restate its trade mark doctrine.

This change of heart is connected with the Commission's plan to use Article 235 of the Treaty to create an EEC trade mark law. The Commission clearly does not wish to repeat the experience of the European patent Convention, when the decision permitting non-EEC countries to participate made it impossible to create a Community patent under EEC law. Two parallel Draft Conventions resulted (one for the European and the other for the Community patent) and the Commission's officials feel restricted by the close link between them.

Using its powers under Article 235 (which permits the council to enact measures not foreseen when the Rome Treaty was signed) the Commission proposes to create an EEC trade mark, by EEC secondary legislation. There would be an EEC Trade Mark Office and it is claimed that the registration of EEC trade marks would be simple, inexpensive and therefore accessible to small and medium-size firms.

The softer attitude on territorial protection of national trade marks seems to be connected with the Commission's desire to reserve the advantage of unrestricted EEC marketing for its own EEC trade mark. The introduction of the EEC trade mark will not by itself remove national trade marks and previously acquired rights will survive. It is believed, that the emergence of a new EEC trade mark, enjoying protection throughout the Common Market, will be a powerful incentive for the holders of identical or similar trade marks in different member States to reach agreement. This incentive would disappear if the European Court ruled that trade marks must not be used to prevent imports of similarly trade marked products.

If this thinking prevails the territorial protection of national trade marks within the Common Market will not be restricted any more than the territorial protection of patent licences.

A. H. HERMANN

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.49 (editorial) 236.56.01 (business)
Bonn: Pressehaus II/104 Heussallee 2-10 212596
Frankfurt 6 Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 512 9037
Rome: Via della Mercede 55 .... 678 3314
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Toronto, 285 Ont. & Charles St. E. 416 921 5575
Jo'burg: 637 Union Centre East Building, Harrison Street (cnr: Pritchard St.), Johannesburg. 838 7899
Sydney: 364 Sussex Street (Cnr. Liverpool Street), Box 3888 GPO 2001 Tel: 619 517, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku Tel: 241 2920
For Business News Summary Ring: 01-246 8026; Birmingham area, 021-246 8026.

TUESDAY, MAY 6, 1975

To regenerate or coddle

SIR MONTY Finniston and his fellow directors of the British Steel Corporation are to be congratulated on answering the politically-loaded questions set them by Mr. Wedgwood Benn with determination as well as candour. They have made it clear that, in their view, the "regeneration" of the U.K. steel industry implies not only massive capital investment but the introduction of manning standards which are far more closely in line with those of our overseas competitors. They have suggested that it is the joint responsibility of the Government and the Board to promote the development of an efficient steel industry and that the Government should not be led by its preoccupation with short-term employment problems to frustrate the long-term strategy on which both sides are formally agreed.

In dealing with the immediate labour problems caused by falling demand for steel and intense international competition, the Board must of course consult thoroughly with the unions and do what is within its power to cushion the effect of redundancies. But the prime responsibility here, whatever Mr. Benn's letter may have seemed to imply, must lie with the Government. Not only will the maintenance of an unnecessarily large labour force tend to frustrate the long-term drive towards higher productivity, but the Steel Corporation is unlike other nationalised industries in being more exposed to competition and ineligible for production subsidies. If, as is agreed, it is to become a highly-efficient highly-paid industry, increased pay and efficiency must go together.

Interference

It may well be that Mr. Benn's ostensibly outraged attempt to meddle in an unhappy situation of which he must have been well aware will serve to create even greater difficulties than were to be expected from the present discussions about suspension of the guaranteed week arrangements and from the forthcoming pay claim. Even that may prove to have been worth while if the public dispute between Mr. Benn and Sir Monty serves not only to vindicate the right of nationalised industry chairmen to voice their opinions publicly—a right which no proponent of more open management could well dispute—but to establish the permissible limits of Government interference.

The quarrel has come into the open, moreover, at a time when it may contribute something useful to the solution of two major problems. The first is the different attitudes of the public and private sectors to current wage claims, the second the belief that nationalisation will inevitably help to increase industrial efficiency.

Over-manning

The main pressure making for higher wages and prices at present comes not from the private sector, where profits are suffering from trade conditions, but from the public sector. The Steel Corporation belongs to the public sector but operates in the private. Its present situation, therefore—in which its employees expect to keep pace with others in the public sector but in which its ability to pay is limited by heavily reduced demand for its products—is a sharp reminder to the Government that the main responsibility for bringing wage increases down to a tolerable level rests with itself. Some concept analogous to profit must be introduced into the public sector, so that excessive pay increases lead automatically to reduced employment opportunities.

The Steel Corporation is also an excellent example of an industry which has been nationalised for the sake of increasing its efficiency and competitiveness. A massive investment programme is under way; it can produce the results hoped for only if there is a very substantial reduction in the present labour force. But the power of unions in a nationalised industry, and the reluctance of Ministers like Mr. Benn to offend the unions, make that reduction considerably more difficult to achieve than it would be in the private sector. Sir Monty Finniston is fighting not only for the future of nationalised steel but for that of nationalised shipbuilding—and of British Leyland.

Import controls still an issue

THE NEWS that the British Government is likely to renew its pledge against fresh import restrictions at the meeting of OECD Ministers at the end of this month is welcome as far as it goes. In return the Germans are expected to say that they fully recognise the reciprocal obligations of creditor countries to keep their own economies expanding.

The original OECD pledge was "to avoid having recourse to unilateral measures, of either a general or a specific nature, to restrict imports." This was signed in the aftermath of the oil crisis and undoubtedly made a contribution to calming nerves and avoiding a chain reaction of restrictions. The British Government would not be willing to renew it, if it were about to embark on a ten-year programme of import controls or high tariffs along the lines advocated by some Labour economic advisers.

Wider decision

Nevertheless, it would be wrong to exaggerate the significance of the OECD undertaking. Just as the German Government will be guided mainly by its own judgment in deciding how "expansionist" to make its monetary and fiscal policies, so British Ministers will be making their own assessment on import controls at periodic intervals. So long as the balance of payments or employment situations are a cause for worry—which is the foreseeable future—the issue is unlikely to be buried. Indeed, Mr. Healey apparently considered very seriously imposing import controls before the last Budget. He decided against doing so mainly because he would have had to clamp down on home demand further than he did, if the controls were to be effective and not simply to divert demand away from exports.

In other words the decision against import controls was part of a wider decision not to restrict too heavily public or consumer spending, and to accept an extremely gradualist approach to correcting the payments deficit. This approach has since been subjected to increasing criticism. The present strategy could be called into question at any time by events in the foreign exchange market. It could also be called into question by a faster than expected increase in unemployment.

Providing stimulus

In the first situation—that of pressure on sterling—the Government would be forced to bring forward, and probably intensify, the public spending cuts promised for next year. The problem would be how to do this without aggravating too much the domestic recession. In the second situation—that of unexpectedly high unemployment—the problem would be how to moderate the decline in demand without aggravating either the Budget or the balance of payments deficit.

In both the situations envisaged the problem would be that of providing a stimulus to business activity that works through export promotion or import saving rather than through higher domestic expenditure which we are in no position to afford. The only two ways of providing such a stimulus are allowing the exchange rate to depreciate and "direct action" on imports or exports. Nearly all the objective arguments, whether of efficiency, consumer choice or international repercussions, are on the side of the exchange rate weapon. The argument against it is that it is supposed to provide a cost inflationary impulse.

The argument depends entirely on the belief that controls would enable the U.K. to avoid exchange depreciation, rather than merely postpone it and probably intensify the eventual drop in the rate. Of course the whole Budget strategy is based on the hope that the painful choice will not be required. But until we can be sure, the issue of controls versus exchange rates will remain alive.

Facts behind the charge that the City let industry down

BY ANTHONY HARRIS

THE National Economic Development Office overlooks the River Thames, but hardly ever attempts to set it on fire; so when a NEDO paper appears to be saying, even in a general way, the same thing that Mr. Anthony Wedgwood Benn has been saying — from the same building, as it happens — only a few days earlier, something unusual is going on. Both of them, as we know, have been studying the same general question: could the savings institutions do more to finance industrial investment? Both have concluded that they could.

The idea that the City does not understand industry or provide for its needs is indeed a hardy perennial among British businessmen.

In recent months, however, the City has put up a block, as most of those who work there ruefully admit. The boom and bust in the property market, the consequent collapse of the fringe banks, and the subsequent panicky selling of industrial shares in the closing months of 1974, naturally have encouraged the City's critics.

However, most markets are subject to bouts of speculation, in which the professionals may be caught out, without being charged with abandoning industry: except in a bankruptcy, money lost in speculation does not simply vanish. Mr. Benn's study recognises this to some extent. He naturally takes advantage of recent events to charge the institutions with short-sighted policies (a charge to which many would plead guilty) and with the pursuit of quick profits (which seems gratuitously cruel in the circumstances), but he puts his central accusation in economic terms: the institutions, by their policies, have diverted resources out of industrial growth into property development and other "non-productive" outlets. However, instead of measuring the resources diverted in this way, Mr. Benn takes the "surplus" of the institutions — the net savings through life insurance and pensions — as a measure of the money that might be available. This he puts at £3bn. annually, which could clearly make a sizeable contribution to his favoured £6bn. programme of increased industrial investment.

NEDO also clearly believes that there are important funds which could be made available for industry. But where Mr. Benn is concerned with the institutional funds which never reach the securities market, NEDO is more concerned with what happens inside the market. Centrally, it would like to see an active industrial bond market, such as exists on Wall Street, and is basically concerned with creating the conditions in which the institutions would want to take up such paper, on terms which borrowers would find manageable.

In economic terms, this would suggest that it is the public sector which is using the resources which industry might otherwise employ, and borrowing in order to do so and, as we will see, there is much evidence to support this idea. The NEDO analysis, however, appears to stop short of economics. It talks of reducing Government competition for long-term funds without facing the question of how this could be done without reducing the spending financed by Government borrowing. Mr. Benn, at the other extreme, sees some need to cut spending but does not discuss borrowing. Since the Department of Industry, through the National Enterprise Board, plans to set up shop as a major financial intermediary, this is not altogether surprising.

These criticisms of the City seem, then, to raise at least as many questions as they purport to answer. It is agreed that industry does not get much financial support from the markets (though it is not clear that either side realises that, as will be seen shortly, industry actually feeds substantial sums into the City, or at least has done so since 1970). Both sides see institutional savings as the major potential source of funds. But how much would be available? How has it been managed in the past? What follows is an attempt to answer these questions, on the basis of the flows of funds through the institutions and the market from the beginning of 1970 until the third quarter of 1974—a period of difficulty, but shorn of its final panic (which caused flows which have subsequently been reversed).

First of all, how big is the available flow of money? The framework of the problem is displayed in the accompanying diagram, which shows the main flow of funds through the institutions and the market in 1973. The table gives the main figures for the whole period, and together they make an instructive study.

Perhaps the first point that springs to the eye is that while the institutions collected £2.8bn. in savings from the public, they passed on only £1.3bn. to the securities market. This appears to provide a measure of the "Benn gap"—the diversion of money into "non-productive" uses. The figures for the whole period give a clearer idea of the nature of this gap. During this period, the institutions collected £11.1bn. in savings. They laid it out as follows:—

	£bn.
Company securities	4.1
Government stock	1.9
Loans to persons	1.3
Property	2.1

The balance of £1.7bn. was held in short-term money-market assets, where it was available for short-term borrowers of all kinds. Of the long-term investments actually made, 60 per cent. went to the securities market (where its deployment does not at first sight bear out NEDO's criticisms), and only about a third in investments which may or may not have been "non-productive" (and not even Mr. Benn has proposed that the institutions should withdraw entirely from financing development and lending to policy-holders and house-buyers).

However, this takes into account only one of a number of flows of funds between savers and the securities market. In 1973, as the diagram shows, private shareholders took twice as much money out of the equities market as the institutions fed in. The deficit was made up by a large cash injection from companies, which put in £1bn. by way of cash takeovers, and raised only about £150m. through new issues. In total, companies had a large deficit with the securities market, and this is true of the whole period. Why did private investors take cash out of the market and why did companies choose to feed it in?

These questions bring us near the heart of the matter. The first point to emerge is that the flow of savings through the institutions overstates the resources available from private saving. In 1973 the personal sector withdrew £0.9bn. from the securities market while it saved £2.8bn. The reason is simply that people save largely for their old age, and then spend their savings; and many of those now retired invested their money directly in the market, rather than through the institutions.

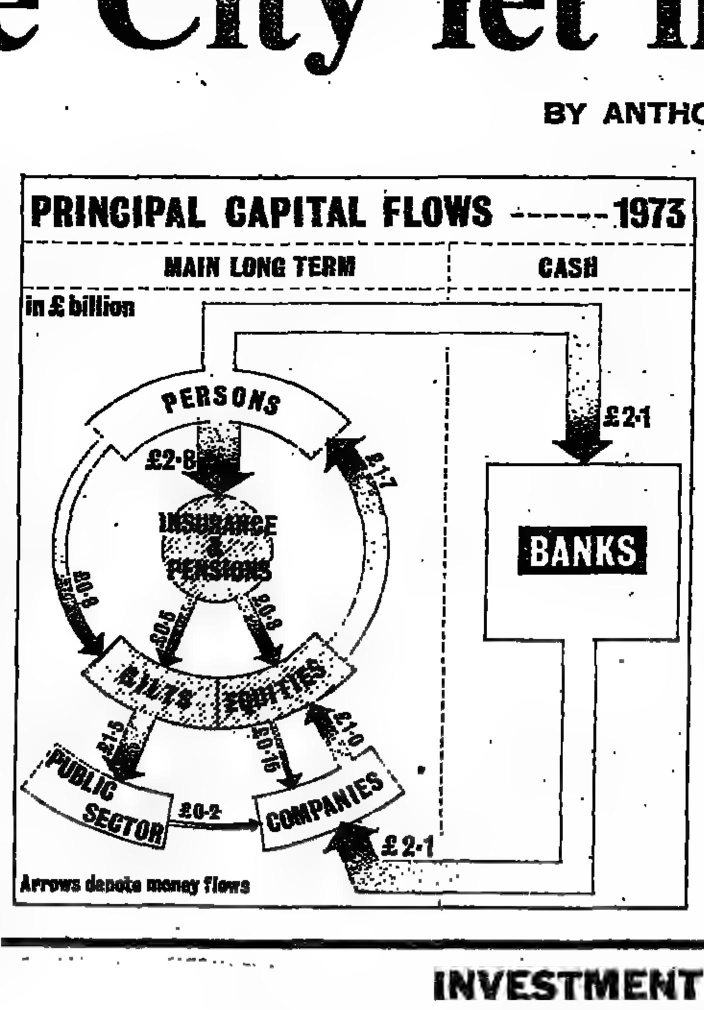
In addition, private investors switched £800m. out of equities into gilts. This is largely a result of deliberate Government policy: the exemption of Government stock from capital gains tax was meant to attract private investors, and it has. Here is a clear diversion of funds. Of course, when the institutional buying of £500m. is also taken into account, it can be seen that the Government took £1.3bn. of the £2.1bn. of available net savings. For the period as a whole the net saving (institutional saving less security sales) was £6.9bn. Of this the Government took just over half—£3.5bn. in sales of gilts to institutions and private investors.

The Government's need to borrow such sums is also a clue to company behaviour. The sheer size of the national debt—far higher in relation to GNP than in any other developed country—and the British Government tradition of borrowing long (approved by monetary purists) dominates the London securities market. The relatively high level of long-term interest rates has always made long-term borrowing relatively unattractive for British companies: and equity capital itself must yield relatively more to compete for investment funds.

Demand for funds

This means that at any period of depressed profits and high Government borrowing, British equity shares tend to trade at a discount to their asset value: the situation discourages capital raising, and encourages takeovers. In given market conditions, it is up to companies to decide how much they will borrow or spend in the securities market: since 1970, they have chosen to put money in, and the Government's demand for funds over this period, as well as its other policies, are clearly of dominant importance.

It remains true, of course, that had investors shown more enthusiasm for company shares, their price would have been higher, and conditions would have been somewhat different. How true is it in general, rather than in the particular conditions of last winter, that the institutions behave in a destabilising way, and depress the market against would-be corporate borrowers? Here the tables tell their own story. Until 1972 the pension funds remained solid supporters of industrial shares; the insurance companies looked rather more to the public sector. Subsequently, the institutions did withdraw from a falling market. But only one group plunged heavily into property speculation: the pension funds of the public-sector industries, most of which report to Mr. Benn.



PERSONAL LONG TERM INVESTMENT

£m.

	1970	1971	1972	1973	1974†
Investment in life policies and pension rights	1,763	2,004	2,455	2,817	2,130
Sales of stock market assets (incl. gilts and unit trusts)	−1,004	−798	−1,032	−922	−433
SURPLUS available for investment	759	1,206	1,423	1,895	1,597

† first nine months.

FLOWS THROUGH THE STOCK MARKET

Net sales and purchases of company securities (+ = purchase, − = sales) £m.

	1970	1971	1972	1973	1974†
Personal sector*	−830	−1,231	−1,019	−1,707	−1,200
COMPANIES					
Sales of new issues	−195	−367	−606	−149	−10
Cash for take-overs, etc.	448	567	820	1,026	700
Insurance companies*	269	372	713	397	174
Pension funds	487	489	632	429	177

* including purchases of unit trust units. † first nine months.

INVESTMENT FASHIONS

HOW THE INSTITUTIONS DISTRIBUTE THEIR MONEY, BY SECTOR (% OF TOTAL ANNUAL INVESTMENT BY EACH GROUP)

	INSURANCE COMPANIES				PRIVATE PENSION FUNDS				PUBLIC SECTOR PENSION FUNDS*			
	Company securities	Property	Gilts	Money market	Company securities	Property	Gilts	Money market	Company securities	Property	Gilts	Money market
1970	37	20	8	15½	62½	20	−½	25½	89	31	−22	4
1971	39	16	40½	−4	59½	19½	47½	−20	76½	14½	19½	−5
1972	53½	12½	17½	12½	73	24	−1	18	72½	14	4	12½
1973	28	18½	19	12	27	18½	18½	30½	47	39	3	10
1974†	12½	22	14	34	19½	15	21	44	21	46½	16½	12½

* except local authorities. † first nine months.

MEN AND MATTERS

Grimshawe's return

Sixteen months after denunciation at the hands of the City Takeover Panel, Peter Grimshawe, 35, Leeds financier, is back in a key role in a public company, "putting my money where my mouth is, as I always used to say." It is a development which has more than a few links with his earlier business career: Grimshawe is becoming deputy chairman of Pennine Motor Group, where he was chairman up till the same time he left investment bankers Grimshawe Holdings under the cloud of a Panel censure.

This was handed down because Grimshawe Holdings' merchant banking arm, while advising the Gale Lister company during a takeover bid, sold GL shares in the stock market. Grimshawe also faced the possibility of being unable to renew a securities dealing licence from the Department of Trade, which had been informed by the Panel of its views on the GL affair.

In the event, a DoT tribunal allowed Grimshawe his licence. The Takeover Panel declined to reopen its case against him. "So far as I am concerned," Grimshawe declared last November, "the matter is now closed and I can get on with the new businesses in which I am interested." Principally, this has involved a small private company called Rockfield Finance and Mortgage.

Back at Grimshawe Holdings, one of the share stakes which Grimshawe left behind was 19.2 per cent. of Pennine, another Leeds-based concern with a welter of problems manifest in last October's announcement of a £93,000 loss on £2.94m. of turnover. Frank Lownsborough, a Sheffield garage owner, originally took 23 per cent. of the shares when Pennine bought an auction business from him; at the same time, Grimshawe Holdings acquired 23 per cent. and Grimshawe himself became chairman.

With Grimshawe's exit early last year, the Pennine shareholding became a weighty embarrassment to his old banking company. Lownsborough had gradually sold off most of his Pennine shares, but reappeared and bought Grimshawe Holdings' shares for just over 4½p a time. And that was the occasion to revive the old partnership. Apart from becoming deputy chairman, Grimshawe says he will buy rather more than half the ex-Grimshawe Holdings shares, which will cost some £45,000. He will be in charge of finance, intending further disposals for Pennine which he claims has now turned profitable.

The new chairman will be an old friend, 51-year-old Stephen Watling, a shareholder in Grimshawe's Rockfield Finance, and also a former Gale Lister director.

The Pennine changes are certainly ironic: after all, Grimshawe Holdings has lodged claims of £107,000 against its old boss. Thomas Kenny, the new one, is unmoved at the identity of Pennine's new shareholder: "I don't give a damn if we'd sold the shares to Wedgwood Benn!"

SKF's second try

"Our attitude all along has been that unless they wanted it we would back off." That, you could argue, is the only way to approach any merger these days, providing any significant market share is involved or any more than a handful of employees. But if Bob Dickinson, head of SKF (U.K.), says it with a special conviction, then he has both a general reason — he speaks for a foreign multinational — and a particular one — the Pollard fracas of 1969.

Dickinson can now chuckle at the memory of the previous Labour government's intervention to block SKF, but he has clearly taken the lesson to heart and sounded out as much Whitehall opinion as possible before taking the chance that his Swedish parent company gets cast in the role of wicked interloper again by bidding for Sheffield Twist Drill and Steel.

Persuading Sheffield Twist has been a longer process. Dickinson's knowledge and respect for Alec Dormer went back many years and he regularly suggested that a combination of Sheffield's special skills with SKF's world weight would allow them to "really get at it." The serious talking started a year ago but then, three months back, Dormer died. Norman Waple carried on the negotiating and lately it has been a question of whether the Swedes had enough confidence in Britain to make the investment now.

They have, and provided the government does not intervene again — Dickinson believes SKF's record with the unions, mainly the AUEW, is good enough — the Sheffield Twist deal will make a neat finale to his full-time career which ends, after 32 years, in October.

Port storms

"The smaller businesses," says Fernando Van Zeller, "are doing well." His own unusual combination of interests qualify Zeller to speak on the subject of capitalism in Portugal, where he hopes that after a year of politicking, the country's leaders will turn to the huge problems of the economy.

Zeller is in London to talk to shippers about his main business, Quinta do Noval, which he runs with brother Luiz; their great great grandfather founded the firm in 1813. Life is hardly easy now, but Zeller points out Portugal's wine industry has survived earlier revolutionary troubles, to say nothing of Napoleon's invasion ("and Wellington's men, who drank what the French had left.")

This time round, there was talk last month of nationalising the entire wine industry, and there was a three-day strike which resulted in wage increases between 20 and 40 per cent. for the lower income workers. Zeller says the idea of State takeover "appears to have been entirely discarded, primarily, it seems, because foreign interests are heavily involved and so far these have been safeguarded by the Government."

Apart from port, Zeller has 14 per cent. of an import/export business, and 75 per cent. of a plastics company. The last is doing particularly well; both for the past and present regimes it has had the contract for identity cards, now multiplying as the political parties issue their own. Newly popular, too, are plastic laminated posters, with less disposition to tear. However, the sudden changes in climate left Zeller no option but to close an art gallery he ran in Oporto.

Baffled

British Mensa members (remember their IQs put them in the top 2 per cent. of the population) have been polled on the Common Market, and about three-quarters say they will vote for the EEC. But when asked "how well qualified do you feel you are to take part in the Government' referendum?" no less than 17 per cent. thought they were "fairly poorly qualified" and 11 per cent. "very poorly qualified."

Observer

SOCIETY TO-DAY

BY JOE ROGALY

Raise high the flag of electoral reform

IF THERE is a single flag behind which moderates of all parties might reasonably be expected to unite it is the one bearing the legend "proportional representation." Even as I put these words on paper I can hear the derisive echoes—"proportional *what?*" or "what about Italy?" or "too complicated"—that are almost always the result of the proposals for reform of the Westminster system. Yet reform, or just the slightest whiff of it, is in the air. Those who propose it are taken slightly more seriously than they would have been three or four years ago, in the days when they were classed as protagonists of distinctly eccentric views, like nudists, say, or vegetarians, or Liberals.

Reasons

There are many reasons for this. The saddest of them all is probably the spreading realisation that, if you want to give an example of a West European country that seems to be ungovernable, the cry "what about Italy?" no longer serves quite so well as "what about Britain?" Our system is breaking down, and almost everyone knows it. The Conservative Party of Mr. Edward Heath's persuasion more or less acknowledged this in its October, 1974, election manifesto, with its promise to ask a Speaker's Conference to examine the electoral system and make recommendations. The present Labour Government has at least nodded in the direction of accepting the topic as one fit for discussion by allowing Lord Harris of Greenwich to announce in the Lords on April 23 that there would probably be a Speaker's Conference after the EEC referendum is out of the way, and that "clearly, if the question of electoral reform were to be referred to a Speaker's Conference it would form a most important and substantial subject for consideration."

Fobbing off

Of course, promising to refer something to a Speaker's Conference (which means a backstairs committee of party nominees) is in reality little more than a means of fobbing off those who advocate a particular reform. A Speaker's Conference of 1916 and 1917 unanimously recommended the introduction of the single transferable vote system of proportional representation (the one that Englishmen say is too complicated but which Irishmen have been using without any trouble for more than half a century). The Commons rejected the 1917 recommendation. Subsequent Speaker's Conferences have proved equally ineffective: in 1968 the vote was given to 18-year-olds in spite of a strong recommendation to the contrary in a Speaker's Conference report of the year before.

Yet the possibility of a gathering momentum in favour of reform persists. The Lords debate of April 23 was full of mildly encouraging signs of a willingness to listen on the part of the Conservative Front Bench (see, in particular, Lord Mansfield's speech) while it is plain that the Government does not feel that this is the moment to reject the proposition out of hand.

The Conservative attitude is especially intriguing. Among those who have in the past indicated some sympathy for electoral reform is Mr. Airey Neave, now so close to the Leader. A small pressure-group, Conservative Action for Electoral Reform, is working hard to convert the Party; in my view the hardest work of all would be to convert Mrs. Thatcher herself.

This is the nub of the matter. If you believe that some form of proportional representation is a necessary condition for restoring political stability in Britain then clearly you are duty-bound to support reform, even if the cost in terms of personal power might be high. But if you believe that there may be an election within the next year or so and that you have a very good chance of winning an overall majority of seats and thus becoming the first woman Prime Minister all on your own — with no need for a coalition—then you are likely to be very sceptical indeed about the merits of any change in the rules.

Depressing

The logic of this is understandable; it is also extremely depressing. For either we *are* experiencing a particularly dangerous chapter in British history or we are not. If we are not, then it may be possible to stomach the usual political game of sticking to whatever rules suit the politicians. But if we are in the situation that is described in so many contemporary writings and speeches (not least the speeches and writings of leading Conservatives themselves) then Britain is moving towards hyperinflation, the end of democracy, and the replacement of our existing policy by something unknown and possibly even less palatable than what we now have.

It is important to be absolutely clear about the limitations of electoral reform as a means of alleviating this situation. The introduction of proportional representation is not offered as the solution to all our problems. It would not of itself create a centre-minded Government, as last week's elections in Northern Ireland shows. If more than half the voters want a particular party in power they will get that under any half-way democratic system.

On the other hand, the single transferable vote system would make it just about impossible for a small minority to get its hands on the levers of power in an effort to re-shape society according to its own fanatical notions. Oh, you say, surely that is going too far? Then think for a moment about the present British Government, elected by 28.6 per cent. of those eligible to vote, and for its own internal reasons pushing through policies that have the support of an unknown fraction of its own members. We are municipalising, nationalising, setting aside the rule of law for favoured brothers, and buying jobs for selected groups of workers, all because some proportion—half?, a third?—of 28 per cent. of our adults positively want these wrecking actions to take place. Only the Westminster system could be so unfair and so destructive all at once.

Tories who take this point sometimes still reject reform because they look forward to their turn to manage the machine on their own, or because they feel they cannot trust the Liberals (some of whom are extremely radical) or because they fear the unknown—which is what electoral reform means to some of them. But most of this is based on a simple failure to understand. Proportional representation would not prevent a future Mr. Anthony Wedgwood Benn from carrying out his plans; it would simply oblige him to persuade far more people—representatives of at least half the voters—to support him. As he would discover, that is rather more difficult than persuading a few hot-headed party or trade union committees.

THE ELECTORAL SYSTEM IN OPERATION

Election	"Winner" in terms of seats	Share of votes cast	Votes gained as % of electorate
1945	Labour	47.8	36.1
1950	Labour	46.0	39.8
1951	Conservative	47.9	39.6
1955	Conservative	49.6	38.1
1959	Conservative	49.4	38.8
1964	Labour	44.1	34.0
1966	Labour	47.9	36.3
1970	Conservative	46.4	33.3
1974 (Feb.)	Labour	37.2	29.3
1974 (Oct.)	Labour	39.2	28.6

Private deals

It is true that if no party won an overall majority (and the surprise would be if any party were quite so popular) there would have to be a coalition. This means deals in private smoke-filled rooms. But to say as much is no argument against electoral reform: what we would be exchanging is wheeler-dealing inside the existing political parties (all of which are themselves coalitions) for more public and publicly accountable horsetrading between representatives elected for their known views. There would be fewer sudden changes of course, and more continuity in policies.

The Kilbrandon Commission on the Constitution proposed the single transferable vote method for the election of regional parliaments: this was accepted in Lord Crowther-Hunt's memorandum of dissent to the Commission's main proposals. Of course the Labour Government says it wants something easier to understand in Scotland (where, in the Cabinet's view they are presumably not so bright as Ulstermen)—but perhaps the explanation is that at the last election Labour won 57 per cent. of Scotland's seats with only 36 per cent. of its votes. For all true democrats the first place to push hard for proportional representation must be Scotland: if Labour catches on to the possibility of Scottish Nationalist control of a Scottish Assembly under the present system it may change its mind.

I have deliberately omitted any detailed discussion of the merits of the several proposed systems. In my own mind there is nothing to touch the single transferable vote for fairness and true representation of all sections of opinion. Most Continental countries use party list systems (we are, incidentally, the only member of the EEC that uses our simplistic system) but there is, rightly, a distrust of such lists in Britain. The single most valid criticism of the single transferable vote is that it would work best in constituencies represented by three, five or seven members—which would mean some reduction in the direct link between MPs and constituents. To meet this objection the Conservatives' internal pressure group has proposed something on West German lines, with most MPs elected in single-member constituencies on the existing British basis and some through party lists.

The detailed debate is best avoided at this stage: the first battle must be to get the general notion of electoral reform accepted nationally. This would be the best way of winning back some faith in Parliament as an institution (see the table for the decline in the voting support for recent Governments): in the absence of a stateswomanlike declaration from Mrs. Thatcher a campaign to win public opinion over first may be the only hope.

In a happier world such a campaign could be a second rallying-cry for Britain's moderates. Their first banner is of course the one leading the "yes" ranks in the present referendum campaign. (The referendum itself is, incidentally, a reflection of the inability of the present system to overcome really serious internal party divisions.) Moderate members of the Labour Party, Liberals, and many Conservatives are finding themselves side by side on public platforms, in committees, and in private tactical debates. If they can do this for the referendum they could do it for electoral reform.

Moon

It may be that this is asking for the moon. Any electoral reform will be painful for some politicians; even elaborate schemes for cash compensation for loss of seat (and these have been discussed in private) would not ease the pain for everyone who found himself left out. This is where that unknown X-factor, "sense of duty," comes in. Britain could be transformed overnight if its overwhelming moderate majority was led by a united band of moderates at the top. There is not much they can unite about—not at the beginning, anyway. But electoral reform could bring them together if they were at least half-willing. Those who really believe that we are going to the dogs need not stand by, as other true democrats in other countries have done, and let it all happen. There is a banner they could hold aloft if enough of them have the vision to raise it.

Letters to the Editor

Actuary unable to report

From Mr. P. Pennington Legh

Sir,—Contrary to what Mr. Oppé (April 30) may imagine I am perfectly aware that the basis for the actuarial valuation of, say, a long-term business fund has nothing to do with current purchasing power and therefore — in an accounting sense—little to do with the impact of inflation. What I contended in my letter of April 25 was that herein lies the problem.

My suggestion was that, ignoring the formulae for assessing liabilities and future rates of interest and inflation (which for all I, or the actuary himself, may know could be as spurious as they are esoteric), life companies still account to shareholders, policyholders and other users of accounts for the receipt and disposition of various moneys. It is in the basis of these standards of accounting that the fault exists. You (and I hope Mr. Oppé) will recall that I took issue with the practice of reporting comparatives, and statistics showing total funds and other financial facts in pounds of different values so that an impression of growth and stability is maintained whereas in fact the opposite may be the case (a rot that set in as early as 1968 in one of the examples used).

In this regard as in so many aspects of insurance, the concept of stewardship is enforced by the mutual nature of even non-mutual life companies, and it remains true that notwithstanding the thoroughness of investigation and the accuracy of computational skill employed by his numerate profession the actuary is fundamentally unable to report on the true state of the insurance company.

It is sufficient to observe that I did not read and the policy holders did not read qualifications or caveats in the actuary's reports of those insurance companies which have recently gone to the wall. My prime concern, however, is with the methods and standards of disclosure. I do not wish to dwell on the actuarial ramifications of the Insurance Companies Acts.

But before I leave the subject—surely an insurance policy, a pension or an annuity is a private contract fixed in nominal terms. Although it may be inconceivable that it could be renegotiated in real terms by the company or by those who pay the premiums, it is not inconceivable that when the return of investment is equally nominal in real terms the "reasonable expectation" of policy holders, as Mr. Oppé calls it, will be to lynch the nearest life insurance officer.

P. R. Pennington Legh,
Langton Close,
Belmont Park Road,
Maidenhead,
Berks.

Paper and plastics

From The Chairman,
...yde Paper Company

Sir,—Mr. Adams' letter of May ... is important not only in the light of the current depressed situation in the British paper and board industry but from the long term.

Over the last eighteen months, we have been promoting heavily the use of British mills' products, together with extrusion coatings. In particular, we have been promoting waste boards with white coatings as a substitute for coated pure pulp boards, which are widely used in the frozen food and confectionery industries and of which a great deal is imported. We have had some small success but the converting industry finds that end users are reluctant to make changes until times of shortage, as occurred during last year.

Bearing in mind that the future of the British paper and board industry is either for recycled fibres or fine papers linked with onward conversion, any opportunities to use waste products for packaging is important to the British paper and board industry and to the country as a whole. Mr. Adams makes reference to the fact that paper and plastic can work together and, where extrusion coatings are used, plans are now under way to separate the plastic coating from the paper or board and again to re-cycle the fibres.

Any promotion using waste fibre materials in this country would have many ongoing effects, including reduction of imports, some stability of price away from the influence of a falling currency, and the stabilisation of the waste market.

Michael Franks
Ray Lane, Garstang,
Preston.

Wide ranging discussions

From Sir Fred Catherwood

Sir,—One point in your report of the recent British Institute of Management survey of management salaries (May 1) requires a certain amount of clarification.

It is normal for the chairman of BIM Council to be in regular contact with MPs and members of the Government. Our discussions cover a wide range of topics; however, it would be misleading to suggest that these talks have been specifically about some form of wage restraint or the application of the social contract to managers.

Roy Levine reported the BIM press conference accurately but the question that was put was, unfortunately, misconstrued.

Fred Catherwood.
British Institute of Management
Management House,
Parker Street, W.C.2.

Left and the referendum

From Mr. K. Irons.

Sir,—I have always had the highest regard for Mr. C. Gordon Tether's abilities and plain good sense, but the argument that he propounded (May 2) for Britain's withdrawal from the EEC must cast doubt at least upon the latter.

His contention that a "no" vote at the referendum will not pave the way to a Left-wing extremist takeover at *Westminster* is probably right, but he ignores the argument that it could undoubtedly lead to even more Left-wing policies being adopted in Britain under the present Government. For we have it on the authority of no less a Left-winger than Mr. Eric Heffer himself, speaking at the special Labour Party conference, that they will find it very much easier to turn Britain into a Socialist State if she withdraws from the EEC.

While it is right that remaining in the EEC will not *prevent* any future extension of State ownership in Britain, it will at least remove the necessity by helping to create an economic and political environment in which industry can operate without the pressures which force it to accept back-door nationalisation as the price for remaining in business and, incidentally, maintaining jobs for its workers.

Like so many anti-Marketeers struggling for a case, Mr. Tether blames the EEC for lack of industrial investment in Britain. What he does not take into account is the uncertainty that has been created by the equivocal stand of the Labour Party on the European issue. Companies cannot be expected to make major new capital investments, requiring several years of profitable operation to recover the costs, when they do not know whether they have a "home" market of 50m. or 300m. and under what future arrangements they will be able to trade with the rest of the world.

Mr. Tether proposes the fallacious argument that withdrawal from the EEC may also encourage an increase in industrial investment in this country. Yet it is clear that the source of many of Britain's problems has been the lack of industrial investment over the last 10 years, when Britain for the most part was outside the EEC. On what grounds does Mr. Tether think that this situation will change? Not by the creation of even more uncertainty by threats of more widespread nationalisation! Surely, the way to improve private investment is by creating a political and economic climate in which it can thrive.

K. D. Irons,
Southington Cottage,
Southington, Overton,
Basingstoke, Hants.

Establishing facts

From Mr. J. Kane.

Sir,—I am indebted to the head of the London office, Commission of the European Communities, for his assurance (May 1) that the role of his office is "to supply factual information" on the Community. Therefore I was surprised to read in the March issue of "European Community" (published from the same office) the following item under the heading "What the Community Is Not": "It is not a drain on capital. Figures so far suggest a net inflow into Britain from the rest of the Community and elsewhere."

At best this statement is so vague and ambiguous that it is hard to comprehend how Mr. Mayne, or anyone else, could describe it as representing "factual information." Moreover it suggests, as did the CBI Speakers' Notes—which Mr. John Whitehorn graciously admitted were incorrect — that there has been a net inflow of investment into Britain from the Community, whereas Government figures for 1973 show a net outflow of some £400m.

Would it be too much to hope that, once the referendum is out of the way, we can look forward to the real meaning of the word "fact" being re-established.

Joseph Kane,
14, Hallfield Road,
Bradford, West Yorkshire.

Tax stops at the door

From The President,
The British Antique Dealers' Association

Sir,—Mr. Thompson-Noel in his article on the art market (May 3) refers to the question mark represented by the possible inclusion of furniture and works of art within the wealth tax. He feels, however, that there may be a glimmer of hope in paragraph 29 of the Green Paper which says that "it is arguable that domestic and household goods for personal use should be exempted irrespective of their value."

May I draw his attention, and that of your readers, to the fact that there is evidence that his interpretation of this passage is over-optimistic? I refer to the reply given by a deputy chairman of the Inland Revenue when questioned on this very point by the Select Committee on February 19 (fourth session), pages 58 and 59, answers 314 and 315. These were: "I think the Green Paper is there simply reflecting a view that has been expressed in connection with the wealth tax, and is reflected in some European countries" and, when pressed, "I do not think we would wish to advance that argument," concluding "there is not a case for having a complete exemption in respect of personal and household goods."

It may be worth stressing that the recently published Wealth Tax Bill in the Republic of Ireland excludes all household effects. And in the standard work on wealth tax by Professor Sandford which appeared last month, he points out that the under-reporting of works of art is widespread in countries with wealth taxes which do not exclude such works (Germany and Norway) and adds: "One can see the argument for the Danish practice of completely excluding such items and adopting the realistic principle that 'the tax stops short at the doors'." In the Netherlands and Sweden also, works of art are excluded.

George J. Levy
20, Rutland Gate, S.W.7.

British Leyland

From Mr. D. Robb

Sir,—I had for a long time expected that the moment of truth for Socialist economics would be reached at the point when lack of firm management, leading to overmanning and weakness in the face of excessive wage demands caused a crisis in the car industry, as inevitably it had to.

Up to that point the battleground against inflation was always one where it was politically more difficult to take a stand, as in the case of coal. Fuel power is essential to the country, and since nationalisation has created a monopoly of supply the laws of supply and demand operate at their harshest to the detriment of the consumer, either directly or through the cost of subsidy by taxation.

The car industry should have been a different case. There is nothing essential about a British Leyland car. For many years workers in the car industry have enjoyed wage levels very much higher than the majority of other workers in the country. There is no particular reason why car workers should be so very much higher paid than say farm workers, teachers, shop assistants or indeed any other section of the community. The only justification for their getting higher wages is if the company that employs them can pay those higher wages and still operate profitably.

And yet, in the case of British Leyland, on the very day on which it was announced that the Government was to pay millions of our money into keeping the company alive, it was also announced that a 15 per cent. increase in wages had been agreed.

If British Leyland had faced the option of bankruptcy or putting its house in order the country would have benefited from whichever choice it opted for. As it is, on a battleground which might have been tailor-made on which to fight, and for the first time win, a battle against inflation, the Government has decided that inflation is the easier solution. Like it or not we the taxpayers will continue to subsidise over-manning and inflated wage levels.

Economic realism has flown out of the window, and with it the prosperity in the long term not only of British Leyland workers but of the rest of the country as well. And sadly, as you said in a recent editorial, a Conservative government would probably have acted similarly.

D. B. Robb.
The Old Vicarage,
Burbage,
Marlborough, Wilts.

Finance for export

From Mr. M. P. Davies.

Sir,—Your correspondent on export finance is again riding his hobby horse (World Banking Review, April 21).

Export credit is for him the weapon in a "war," and "a cycle of self-inflicting ruination," a "bribe." I suppose such emotive words enliven an article which for the general reader may prove dusty technical stuff but they should not be allowed to obscure the reality that for the most part credit is granted by the manufacturing countries because local capital markets are inadequate and payment of the purchase price is only possible out of revenue, or because foreign exchange is rationed. To recognise the need for credit in these and other legitimate circumstances is not bribery and to consider it as such is to dismiss the vital importance of price, quality and delivery.

There is rightly concern about the real money return for goods sold on medium-term credit in these inflationary times but to talk about "cheap" export credit is to mislead. When premia, bank commissions and fees are taken into consideration, the total cost to buyers of fixed interest rate export credit is much closer to market rates than your correspondent implies. Export credit over the years has in fact been reasonably sensitive to longer term interest trends and the present international talks on this subject are evidence of the continuous process of review.

We are also led to believe that banks are worried about the prospect of sharing risk with ECGD and are likely to make heavy weather of any changed role. This prospect hardly reconciles with the growth of "front end finance," etc. Your correspondent must also know that the export finance houses are not strangers to an uninsured risk. The City deserves better than the spectre of successful exporters transformed into "hawkers . . . looking for finance."

Malcolm P. Davies.
Manufacturers Hanover
Export Finance.
7, Princes Street, E.C.2.

To-day's Events

GENERAL

Commonwealth Prime Ministers meeting final day, Kingston, Jamaica.

Electrical Power Engineers' Association national executive considers whether to call strike ballot.

Sir Keith Joseph, member of Shadow Cabinet responsible for policy and research, speaks at Smaller Businesses Association lunch, Grosvenor House Hotel, London.

National Federation of Building Trades Employers annual meeting.

Nor-Shipping '75 conference, sponsored by the Financial Times, opens Norwegian Maritime Museum, Oslo.

PARLIAMENTARY BUSINESS

House of Commons: Defence debate.

House of Lords: Referendum Bill, report stage and third reading. Policy Holders Protection Bill, second reading.

COMPANY RESULTS

Averys (full year).
Lesney Products (full year).
Mothercare (full year).
Tarmac (full year).
Smith and Nephew Associated Companies (first quarter).

COMPANY MEETINGS

Bury and Masco, Manchester, 12.
Cairnton Investment Trust, 66, Gresham Street, E.C., 12.
Cartwright (R.), Birmingham, 12.
Church, Northampton, 12.
Family Investment Trust, 20, Fenchurch Street, E.C., 2.30.
Federated Land and Building, Winchester House, E.C., 11.30.
Pawson (W. L.), Halifax, 2.30.

COMPANY NEWS + COMMENT

Central Manfg. first half upsurge

FIRST HALF taxable profits of the Central Manufacturing and Trading Group have expanded from £1,427,000 to £1,862,000, with stated earnings per 10p Ordinary advancing from 3.8p to 3.3p.

Chairman Mr. N. H. Hickman reports that demand continued strong and sales for the half year have again been a record. All divisions traded "very well" during a most difficult period, but market conditions for the Steel Division began to weaken midway with a consequent narrowing of margins.

In view of the uncertain economic climate it would not be prudent to forecast earnings for the second half, Mr. Hickman says, but the range of products is wide and "we would expect to obtain an appropriate share of available business and produce results which we believe will be satisfactory in the prevailing conditions."

Pre-tax profit for the year to July 31, 1974, was £3,630,000—earnings 10p per share.

The interim dividend is 1.105p net per share, against 1.005p, and the directors intend lifting the total from 2.031356p to the maximum permitted 2.217058p—a gross equivalent of 34.10859 per cent., against 30.31875 per cent.

	1975 £000	1974 £000
	Half year	
External turnover	22,755	16,204
Trading profit	2,198	1,676
Interest payable	336	209
Profit	1,862	1,427
Estimated tax	966	718
Net profit	896	709

Divisional analysis	Sales £000	Profits £000
Asbestos, rubber, plastics and services	6,802	820
Steel stockholding and metal processing	12,229	713
Tubes, fittings and fabrications	1,149	275
Light engineering	1,723	169
Drop forgings and castings	792	159

● comment

After a 61 per cent. increase in interest charges, Central Manufacturing's pre-tax profits are 30 per cent. ahead. The main blot on an otherwise encouraging copybook is the steel stockholding division where—after explosive growth in the previous year, trading margins fell by over a third on a 36 per cent. sales gain, lowering profits by 12 per cent. This shows how sensitive margins are to volume, despite substantially higher prices. The weakness in volume and prices does not bode well for the current half but strength in asbestos, rubber and tubes (up by over four-fifths apiece) should see pre-tax profits in the £4¼-4½m range by the year-end. This would cover a prospective yield of 5¼ per cent. at 62½p over five times, and borrowings in 1975/76 should benefit greatly from stock appreciation reliefs.

Statement, Page 21

INDEX TO COMPANY HIGHLIGHTS

Jessel Toynbee outlook

THE UNCERTAIN financial situation of the country makes it impossible to forecast interest rates and, therefore, the future profitability of Jessel, Toynbee and Co., chairman Mr. D. C. G. Jessel tells members.

It is unlikely that conditions will allow a repitition of last year's outstanding results, but he is hopeful that the company will be able at least to preserve its present strength.

After the merger between the company and Norman and Bennet there was a rationalisation of the two businesses with a significant saving in overheads.

As a result of the very uncertain economic climate throughout last year there was generally a good margin between the yield on the short-term securities in which the company invests and the average cost of its borrowed money.

This enabled it to make good running profits without having to take the risk of investing in longer term securities. In addition the general fall in rates provided the company with good opportunities for profitable jobbing.

As reported on April 24 net profit for the year ended March 31, 1975, totalled £1.03m. and the dividend is stepped up from 3.5p to a maximum permitted 4p net.

Wood Hall Trust has a 16.32 per cent. holding in the company. Meeting, 30, Cornhill, E.C., on May 28 at 3.30 p.m.

Chairman's statement Page 22

Greenbank sees progress

CURRENT ORDERS on hand at Greenbank Industrial Holdings indicate increased sales in 1975, and the directors look forward to further progress in expansion, chairman Mr. B. K. Thomas, says.

Commenting on 1974 he reports that while there were some difficulties in the early part, due to the miners' dispute, output was maintained—the additional factories at Lancaster and Heckmondwike both played their part.

Engineering sales have increased, particularly in the export markets. Exports totalled 29 per cent. of engineering sales compared with 10 per cent. in 1973. This is expected to continue, but it is "essential" that U.K. cost increases are brought down to levels of those in competitor countries.

A breakdown of sales and profits of the two principal activities of the group shows: engineering £4.5m. (£2.93m.) and £891,940 (£333,838) and property development £259,605 (£156,073) and £44,035 (£30,245).

As reported on April 23 taxable profit for 1974 advanced £160,897 to £737,097. The dividend is lifted from an adjusted 1.88p to 2.38p net and a 2-for-7 scrip is proposed.

Meeting, Burnley on May 22 at 12 noon.

Good start at Tate of Leeds

THE FIRST quarter of 1975 has been profitable for Tate of Leeds, and chairman, Mr. F. A. Tate, "confidently anticipates" a return to overall profitability during the year.

As reported on April 25, the group incurred a loss before tax of £47,966 for 1973 (profit £190,082 previously) and the dividend is 0.625p (1.7387p) net.

Mr. Tate says that in common with almost every other retail company in the motor trade and earthmoving equipment business the difficult trading conditions during 1974 considerably reduced profitability.

The overall effect was a drop in turnover of 11.8 per cent. to £8.51m. and a large reduction in gross margins brought about by keener market conditions. These two factors, together with the high level of floating interest rates on borrowings contributed to the "disappointing" results.

Meeting at Leeds on May 23 at 4.30 p.m.

Victory Insurance

Victory Insurance made an operating profit, before a transfer to investment reserve, of £338,000 for 1974, compared with a loss of £113,000 in 1973.

Investment income expanded to £1,150,000 (£848,000) and there was a lower transfer to general business revenue accounts of £427,000 (£913,000)—a sum of £100,000 (nil) was transferred to life revenue account. Expenses, exchange and tax charges, increased to £265,000 (£48,000).

General insurance premium income expanded to £11.5m. (£9.2m.). Reinsurance funds totalled £19.47m. (£17.9m.), general business and life £9.43m. (£4.72m.).

The fall in market value of invested assets in 1974 has resulted in transfers of £3,030,000 from the profit and loss account to the general investment reserve and £650,000 from the life fund to the life investment reserve. The whole of the depreciation in respect of life investment has been recovered in the first three months of 1975 togther with £2m. of the depreciation in general investments, it is reported.

Statement Page 10

Monitor Holidays profit

FOLLOWING A LOSS of £187,000 in 1973-74, Monitor Holidays made a net profit of £64,000 in the year to January 31, 1975, and the directors now declare an interim dividend of 0.35p net. Last year's interim was also 0.35p but there was no final.

The dividend has been announced later than usual but the Board stresses its intention to revert to former distribution dates as soon as possible, although a final may not be paid for the year under review.

● comment

The lack of figures from Monitor only add, to what on the face of it, seems a poor result. There must have been some exceptional items, but since they are not quantified it can only be assumed that they were not significant; it was generally expected that the hefty exceptional items last year, mainly a result of the closure of the loss-making Vista Tours, would have wiped the slate clean. In that respect a small profit against an £187,000 loss (after £570,000 of exceptional debits) is not encouraging. True, interest charges, which were almost doubled at the half-way stage, may explain half the story, but the U.K. holiday industry experienced record business in the 1974 summer season. The shares at 14p (down 1p yesterday) are in need of some re-assuring.

Corinthian £1m. loss: no dividend

AFTER HEAVIER provisions against banking advances and for diminution in the value of investments held for dealing of £1.1m., against £618,000, Corinthian Holdings has incurred a net taxed loss of £1m. for 1974, compared with a previous profit of £258,570.

The result was after a U.K. tax credit £11,706 (£86,770 charge) and overseas charge £140,033 (£184,040). After minorities £38,872, loss on investments held on capital account £246,206 and goodwill written off £240,981 making £546,039 (£111,287), there is an attributable deficit of £1,346,420 (profit £147,283).

There is no dividend, compared with a total of 1.1p for 1973.

The directors explain that the results of the merchant banking side reflect the difficulties of the financial sector of the economy during 1974, but liquidity has been maintained and there are indications which point to a recovery.

The need for further substantial provisions is not anticipated

Mr. Terry Maher, chairman of Pentos.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Burndene Invests. ... int.	0.33	May 30	*0.34	—	0.78
Central Mfg. .... int.	1.11	July 4	1.01	—(b)	2.03
Corinthian Hldgs.	nil	—	0.35	nil	1.1
Dent Fownes	1.4	—	1.4	1.4	1.4
Monitor Holidays ... int.	0.35	June 6	0.35	—	0.35

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Scrip alternative proposed. (b) Total of 2.217058p forecast.

The overall results of Tartan McCaul—64 per cent. owned—in the U.K. and U.S.—now display an upward trend, but the cyclical nature of the textile industry must be borne in mind, the directors state.

Subject to economic uncertainties in the U.K. and U.S. they look forward to a return to profitability in 1975.

Tartan McCaul reports a profit of £352,368 for 1974 compared with £203,242 for the previous five months. Again there is no dividend—the last payment was an interim of 1.44p gross in 1970.

After tax of £175,129 (£72,940) the net balance emerges at £177,239 (£130,302).

Clayton Dewandre optimistic

BUDGETS SET by Clayton Dewandre for the first half of the current year allow for further growth over 1974; but chairman Lord Orr-Ewing does not think the group will be able to sustain the same growth rate in the second half, although the capacity is available to satisfy demand.

First quarter results show that the group's cautious optimism about the first half was justified; and those results together with slightly lower but reasonably firm schedules for the second quarter, make the chairman feel moderately confident up to the end of the half year.

The chairman reports that although 1975 started with large order books and with good schedules for the early months' deliveries, "we sense among our major customers a new degree of uncertainty. With the large question mark hanging over the British economy and the consequential effect on U.K. demand for new commercial vehicles, they have all been turning towards exports."

Clayton plans to continue expanding direct export sales but buyers overseas "have no sympathy with our need to adjust selling prices upwards every few months, nor will they tolerate interrupted scheduled deliveries, due to strikes or other disturbances." However, given the necessary support, "we remain confident that we can continue to increase our direct exports," says Lord Orr-Ewing.

During 1975 even greater efforts will be needed to alleviate the strain on cash resources. If the group is to continue the policy of expansion it will have to arrange a more permanent source of funds. While the directors have no immediate plan to raise such additional funds, they believe it prudent to propose an increase in the authorised capital.

As reported March 21 group profit from trading was £2,505,658 (£2,255,212 in 1974).

Capital expenditure of some £1m. was not quite as high as expected, mainly due to delivery date slippage and this delay is also reflected in the high closing commitment figure: 95 per cent. of this expenditure was on machine tools.

Meeting, 11, Bruton Street, W., May 29 at 11.30 a.m.

Receiver for Bacal

BACAL CONSTRUCTION, which in March disclosed that it had run into financial difficulties and sought suspension of its share quotation, has been placed in the hands of a Receiver.

The 17 banks involved with the company have appointed Mr. Rupert Nicholson—who acted in the same capacity with the Rolls-Royce Limited crash—as Receiver of Bacal, while another Peat Marwick Mitchell and Company partner, Mr. G. A. Milnes, has been appointed Receiver of some 17 subsidiaries. Excluded are the Bacal (Scotland), Bacal Oil (Scotland) and Bacal Contracting subsidiaries which are continuing to trade under the control of their directors.

Pending a thorough appraisal, "it is not possible to say what the prospects are for the shareholders," it was stated yesterday. Mr. Nicholson said liabilities were "roughly £20m.," comprising secured and unsecured creditors and property commitments. The secured creditors—the banks involved—had fixed and floating charges on the assets and made up the bulk of the £20m.

Norwich Union Life Insurance Society, as trustee for the stockholders, is to appoint Mr. Nicholson as Receiver in connection with the debenture stock.

Explaining the background to the latest moves, yesterday's statement said there had been meetings recently at which the Board had put forward reconstruction proposals for final development of Bacal assets, but because of continued uncertainty as to current values and trading prospects "the bankers were unable to support the group without the presence and protection of a receiver."

With that step having been taken the clearing bankers are now considering provision of further funds to enable Bacal to complete its development programme "with a view to orderly and profitable realisation of assets and elimination of borrowings."

The Bacal Board remains in office, headed by Mr. Hugh Fraser, MP, who became chairman in March after the discovery of unexpectedly large losses for 1974.

Pentos well placed for expansion

MR. T. A. MAHER, chairman of Pentos, believes that at present the group is "particularly favourably placed" to take advantage of new opportunities as they arise.

The chairman spells out the group's policy. It is to make investments in companies with a recognisable product, a reputation for quality, and the potential to become leaders in their field. "At the same time, they will be in those sectors where risks are low and where there is a possibility of achieving the objective of a 40 per cent. return before interest and tax on funds employed.

Including Austin Hall for the full year, group pre-tax profit amounted to £1.88m. for 1974, compared with a pro-forma figure of £1.55m. for 1973—showing the combined result of Pentos and AH—and with a reported figure of £287,000 for Pentos only.

An analysis of turnover—£14.69m. (£13.03m.)—and profit, compared with the pro-forma figures shows (£000's omitted):—industrial interests—manufacture and sale of system and leisure buildings £11,530 and £1,015 (£9,866 and £921); hire and leasing of accommodation units and plant £1,021 and £417 (£938 and £409); tableware £1,816 and £136 (£1,328 and £119); other industrial interests, discontinued in 1973 (£386 and £98); Financial interests—hire purchase finance £287 and £160 (£336 and £152); investment banking £1,122 and £228 (£463 and £173); less investment dealing £1,060 (£292); share of associates £525 (£7); less interest (including notional) £601 (£362).

At December 31, 1974, total shareholders' funds were £4,496,000 (£1,071,000) and net assets per Ordinary share were 36.16p (21.29p). At the same date, total borrowings, both long and short term, amounted to £3,785,000—equivalent to 39 per cent. of total funds employed.

Since that date, despite the early payment of the second interim borrowings have been reduced by a further £300,000, there are substantial unused bank facilities, and there is still to be collected £800,000 in respect of the remaining balances of Abbot Finance. The cash flow projections for the remainder of 1975 are most encouraging, says the chairman.

Pentos recently announced that it has increased its shareholding in Wright Bindley and Gell to 43 per cent. and that it is to make a cash bid for the remaining capital.

Formal documents containing the offer—of 60p per share—have now been posted—and they also contain an offer of 50p in cash per £1 of 7½ per cent. unsecured loan stock.

A letter from Wright Bindley to its members stresses that neither of these offers has been fully discussed with or recommended by the directors, who are taking advice and strongly recommend no action be taken.

They say they will be writing again well in advance of the closing date, giving their considered views. This letter will include a profit and dividend forecast for the year to end-September 1975, but in the meantime they report that on the basis of unaudited management accounts first half profits before tax were £197,778 compared with £102,400.

● comment

Debt at Pentos of £3.8m. compares with shareholders' funds of £4.5m., but by the year-end net borrowings are expected to be less than 30 per cent. of shareholders' equity. More to the point, the group's subsidiaries only showed pre-tax profits growth of 3 per cent. last year while associate profits rose by £0.5m. Resurgence in Austin Hall's leisure building activities is forecast for 1975, as new products come on stream through fresh outlets, but an 84 per cent. rise in Wright Bindley and Gell's interim profits shows just how much potential is locked up in the associates. This certainly justified the bid logic, but rationalising a company before takeover can increase the cost of acquisition: last night's letter to shareholders from WG and B sounded ominous. At 46p, the yield is 9.4 per cent.

Inspectors for Dowgate & CST

MR. PETER SHORE, the Secretary for Trade, has appointed Inspectors under Section 165(b) of the 1948 Companies Act, to investigate the affairs of Dowgate and General Investments and CST Investments it was announced yesterday. The inspectors are Mr. Joseph Jackson, QC, and Mr. Kirkpatrick Young, chartered accountant.

Dowgate is an investment and dealing company which was run by Mr. Christopher Selmes. Earlier this year, it was announced that Mr. Selmes had resigned from the Board, and subsequently he reduced his stake in the company to below 10 per cent.

Dowgate's association with CST, a company effectively controlled by Mr. Selmes, arose as a result of the controversial £22.5m. takeover bid for a property company Grendon Trust, in 1973.

The directors' report with the latest accounts for Dowgate state that Mr. Selmes (who was still a director at the time of the report) formed CST as the vehicle to make an offer for the capital of Grendon.

The report adds that Mr. Selmes invited Dowgate and St. Clement Estates, which had an investment in Grendon, to participate in CST by each subscribing for 20 per cent. of the equity and advancing £2.5m. to CST. The balance of the finance required by CST, some £17m., was advanced by merchant bankers Keyser Ullman against the security of shares in Grendon and the personal guarantees of Mr. Selmes.

Subsequently, in June of last year, Dowgate sent a letter to its shareholders saying that as a result of the deep depression in the property market the original proposals for the realisation of the property assets owned by Grendon were being deferred.

The letter added that, following discussions with Keyser Ullman a long term plan for the continued management of Grendon had been involved. One element of this plan was that Keyser Ullmann assumed management control of Grendon in order to protect its loans.

ISSUE NEWS

Rights issues results

Rolls-Royce Motors announces that in response to its rights issue of one-for-seven at 36p per share, acceptances have been received for 98.23 per cent. of the shares offered.

Tube Investments rights issue of one-for-fifteen at 190p per share received acceptances for 91 per cent. of the issue.

Fothergill and Harvey says that in respect of the rights issue on the basis of one-for-three at 53p per share, acceptances were received for 92.76 per cent.

Buoyant trading at Boddingtons

IN THE FIRST four months of 1975 trade of Boddington's Breweries has been buoyant, sales of the company's beers are still advancing and chairman Mr. E. Boddington has "no doubt" that the company will continue to prosper.

Despite the country's economic difficulties the company achieved record profits and turnover in 1974 for the fifth year in succession.

Sales of the locally brewed beer advanced in volume by 10.4 per cent. against 5.5 per cent. in the previous year and trade overall went ahead by 10.2 per cent.

As reported on March 20 taxable profit for the year expanded from £1.29m. to £1.41m. and the dividend is lifted from 2.45p to a maximum permitted 2.65p net.

In the past four years the company has spent £2.25m. on capital items and new developments, all of which have been funded from revenue. During 1974 it spent £340,000 on capital improvements to its licensed premises plus a further £192,000 on repairs and maintenance.

Meeting, Manchester on May 29 at 12 noon.

Chairman's statement Page 4

Thomson T-Line Caravans

The chairman of Thomson T-Line Caravans, Mr. D. Thomson, says in his annual statement that in view of the application of the higher rate of VAT to touring caravans, and the continuing uncertain economic conditions, it would be "most imprudent" to attempt to forecast the result of the current year.

Taxable profit for 1974, reported on May 1, contracted sharply from £407,689 to £15,497 and there is no final dividend leaving an interim payment of 2.63p to compare with 5.3915p net as the previous total.

Commenting on the results the chairman says the adverse conditions which prevailed prevented the company from fully recovering the continual increases in costs, to the detriment both of margins and forecasts previously made.

Meeting, Falkirk, on May 28 at 12 noon.

Savoy's financial burdens

The Savoy Hotel Group, after suffering in 1974 its first loss in 35 years, faces "even more daunting financial burdens this year," according to chairman, Sir Hugh Wontner.

At the annual meeting, Sir Hugh said rates were going up 50 per cent., raising the 12-month bill to over £800,000, compared with £155,000 five years ago—an "overwhelming liability," he remarked.

And fire precautions the company had been asked to instal might cost a "staggering" near-£1m., about half for the Savoy Hotel alone. The necessity of some additions was doubted, as the existing system had never failed, said Sir Hugh, adding that the fire authorities had even asked for further precautions at the Berkeley Hotel, which had met every precaution when opened in 1972.

However, after the meeting, Sir Hugh said that while it was thought this year would be very difficult, "we do look for some real improvements in 1976."

Interest in 1975 would be somewhat less than last year and if, as was planned, borrowings were reduced substantially, the benefit should be felt in the second half and thereafter.

R. H. Cole profit cut warning

CURRENT YEAR results of R. H. Cole reflect the effects of the recession, says the chairman, Mr. P. H. Cole. But he is hopeful that the U.K. will soon benefit from the recovery which is becoming apparent in the U.S. and mainland Europe.

He emphasises, however, that even if an increase in demand takes place later in the year as forecast, profits will be "substantially lower" than in the immediate past.

For the longer term, he says he is determined that the company shall play its full part in the massive expansion of the chemical and allied industries planned for the next decade. An examination of the company's expansion programmes is therefore being made.

As reported on April 26 group pre-tax profit increased from £0.95m. to £1.42m. in 1974 and the dividend is 3.06855p (2.8225p) net per share.

A breakdown of turnover and profits (in percentages) shows chemicals and plastics 78.5 (76.7) and 81.3 (83.2); electronics 15.1 (16.9) and 16.3 (14.7); equipment 6.4 (same) and 1.9 (2.1).

Accounts adjusted for inflation show profit on current purchasing power basis of £1,312,000 (£1,049,000), total equity interest £3,326,000 (£2,984,000) and earnings per share 18.8p (15p).

Source and application of funds shows a decrease in cash and deposit balances of £159,856 (increase £161,394) and a rise of £230,793 (£81,579) in overdrafts.

Monsanto holds 22.4 per cent. of the Ordinary. Meeting, Winchester House, E.C., May 27, noon.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. £ or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£36¼	£35	Bell Canada ($25)	£34½	+⅛	—	—	—	—
♣	F.P.	—	£221¼	£171½	Cont.Can. Inc. $US1	£207⅞	−1¼	$1.8	—	3.4	—
♣R2	Nil	—	83	38	Doolkraal Gold Mining	80pm	−3	—	—	—	—
‡‡	F.P.	—	131	120	Ewart New Northern	131	+3	—	—	—	—
140	70	—	87	84	Bank 'A'	87	−3	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100¼	99½	Agricultural Mortgage 11% 1976	99½	−¼
$98	F.P.	—	$96½	$95½	Granges 9¾% Bonds 1985	$96½	......
£97¾	£10	—	9⅞	8⅝	GLC 12¼% Stk. 1982	9⅛	......
a	F.P.	29/8	100	100	Greenwood & Batley 15% Uns. 1976	100	......
£99	£50	30/5	53¼	49¼	Lincoln Corp. 13% 1980	52	......
††£99	F.P.	30/5	105¼	101	Mid-Kent Water 10% Prf. 1980	105¼	......
••	F.P.	23/5	15¼	11¼	Mid-Southern Water 10% Prf. 1980	105¼	......
£100	Nil	—	9	6	N. Atlantic Secs. 7¼% Cnv. 85-90	8pm	−1¾
$98	F.P.	—	$98	$96½	Ottawa-Carleton 9% Deb. 1990	$97	+½
$99	F.P.	—	$101	$92½	Papua New Guinea 9¾% Guar. 1983	$100	+½
††£76	F.P.	—	105¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104¼	......
£100	F.P.	—	149	122	Slough Estates 10% Conv. Uns. '87/90	140	−3
£99¼	£35	1/8	46¼	44½	Southend-on-Sea 12¾% 1981	44½	−½
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	......
••	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	104¼	−½
£99¼	£10	11/7	11¼	10¼	Warwick County Council 12¾% 1980	11	......
—	F.P.	14/2	85	80	Worth (Bond) 13% Conv. Uns.	85	......
♣£100	Nil	2/10	47	19	Yorks Chems. 12¾% Conv. Uns.	22 pm	−5

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p	+ or −
33	Nil	—	—	Associated Biscuit	19pm	−5
10p	Nil	—	—	Aurora Holdings	1¾pm	......
60	F.P.	11/4	23/5	Barratt Devs.	92	−6
88	F.P.	11/4	9/5	Bestobell	116	−6
85	F.P.	17/3	16/5	Bridon	132	−5
[illegible]	[illegible]	[illegible]	[illegible]	Camford Eng.	[illegible]	[illegible]
185	F.P.	16/4	16/5	Consolidated Gold Fields	249	−11
10p	Nil	—	—	Croda Int.	[illegible]	[illegible]
85	Nil	—	—	Delta Metal	11pm	[illegible]
$1.20	Nil	—	—	Ec Inds.	70pm	[illegible]
12.5	F.P.	—	—	F.S. Assurance	[illegible]	[illegible]
58p	F.P.	—	—	Fothergill & Harvey	[illegible]	[illegible]
25	Nil	—	—	Guest Keen	[illegible]	[illegible]
75	F.P.	16/4	16/5	Marlborough	31	[illegible]
25	Nil	—	—	Martin Black	24pm	[illegible]
60	Nil	—	—	Morgan Crucible	[illegible]	[illegible]
80	Nil	—	—	Rolls-Royce	[illegible]	[illegible]
25	Nil	—	—	[illegible]	51	[illegible]
Kr60	Nil	—	—	S.K.F. "B"	170pm	−25
38	F.P.	2/4	16.5	Sketchley	51	[illegible]
77	Nil	—	—	Spirax-Sarco	30pm	[illegible]
80	F.P.	23/4	23/5	Steetley	110	[illegible]
190	F.P.	29/4	1/6	Tube Invs.	266	−14
39	F.P.	11/4	9/5	Unigate	43½	−2½
20	Nil	—	—	Western Selection	7pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. g Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♣ 296 S.Afr. dents. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♣ Issued to former Preference holders. ‡ Allotment letters for fully-paid. † Provisional or partly-paid allotment letters. § With warrants.

Confidence at A. G. Stanley

THE DIRECTORS of A. G. Stanley Holdings, retailers of home decorating materials, and related products, are cautiously confident of another successful year, says chairman Mr. Malcolm Stanley in his annual statement.

And the chairman is also confident that the group's future growth and prosperity is assured—it has "stores in the right locations, a steady programme of new openings and high-class materials at competitive prices."

On the current year, Mr. Stanley reports that the group has been extremely busy so far, with turnover to end-March up 64 per cent. This increase, he points out, should help to offset the large rises faced in wages and overheads.

The programme of steady expansion continues—the group commenced the year under review, 1974, with 76 stores and ended it with 91. The directors have, for the moment, decided the U.K. offers "abundant opportunities" for growth, but are continuing to watch overseas areas closely.

As reported, pre-tax profit increased from £368,019 to £542,839 in 1974, the maximum permitted under current margin control legislation, and the net dividend total is again 3p per share—certain directors have waived dividends amounting to £33,000 (£38,025). Also proposed is a 1-for-8 scrip issue for holders registered April 11, with at least maintenance of the dividend level hoped for on the enlarged capital.

All in all, says Mr. Stanley, the year, which started full of uncertainty, turned out to be a good one for the DIY movement and for the group in particular.

Meeting, Orpington, Kent, May 29 at 4 p.m.

Hawthorn Leslie to improve

In his full interim report, Sir Horace Law, chairman of R and W Hawthorn Leslie and Company, says results for the second half of the current year should show some improvement on those for the first, when a pre-tax loss of £25,000, against a corresponding period profit of £8,000 was incurred, as already reported.

The decision not to pay an interim dividend was made because of inflation and pending pay claims, he explains. The position regarding Ordinary dividend will be viewed in the light of the full year's results and the prevailing conditions.

First-half losses were struck after £73,000 development expenditure—£35,000 (£100,000) on the Seahorse engine and £38,000 (nil) on the waste recovery plant—and £104,000 (£80,000) for estimated losses on work-in-progress.

Sir Horace says the directors consider the Seahorse engine, which successfully completed its final 500 hour endurance trial in March, "can now take its place as British contender in the diesel propulsion industry for ocean going vessels and in power generation."

Costs on development of the engine up to December 31, 1974 have been written-off but the point is being approached, adds the chairman, when, in the Board's view, it would be justifiable to capitalise the cost both of setting up for production and of further development.

Meanwhile the engine is now a very considerable asset but stands at nil in the books—the Board intends to get an independent valuation of it during the year.

Sir Horace also explains that it was thought wise to make the further provision for possible losses on fixed price contracts, because of the continuing high rate of inflation.

Bulgin's expansion aims

THE LIQUID position of A. F. Bulgin and Co., makers of precision electrical and electronic components, is still "very strong" and it is intended to utilise this by investments, both in new components of the group's own manufacture and by expanding the distribution division.

Stating this in his annual review, chairman Mr. R. A. Bulgin says several possibilities of acquisition were examined during the year, but a suitable proposition has not yet arisen.

Further opportunities are being considered at present, he adds.

As known, pre-tax profit improved from £729,585 to £765,071 for the year to January 31, 1975, and the net dividend is the maximum permitted 1.01875p (0.924p) per share.

Mr. Bulgin comments that the year has been a very difficult one, but reflecting on the state of industry in general he considers the results satisfactory. Customers in the domestic field had a disappointing year, but to counteract this "tremendous" efforts were made to expand export business, resulting in export sales up by almost a third from £244,696 to £323,408.

The recently formed Distribution Division now holds sole agencies for high quality components manufactured by well known firms in the U.S. and other parts of the world, and this has already contributed to turnover and profits, he reports.

Owing to the present economic situation, the directors are unable to forecast results for the current year, but are determined to make every effort to maintain the record of profitability.

Meeting, Barking, Essex, May 29 at 3 p.m.

Bourne and Hollingsworth sales ahead

Bourne and Hollingsworth, the department store operators, has made a good start to the current year, with turnover so far up by 33 per cent., reports chairman Mr. C. J. Bourne.

As reported April 10, pre-tax profits increased from £414,323 to £586,289 for the year to February 13, 1975, and the dividend is raised from 2.26p to 2.875p net per share—the company has "close" status.

The chairman says the company exceeded its reference levels by a small amount—no part of the excess is included in profit shown in these accounts. By reducing margins, many departments have been made more competitive.

He adds that the proposed conversion of Curwen House, into flats for staff, has been prevented by economic uncertainty and Government legislation. The directors have agreed, subject to contract, to sell this property for sufficiently more than its cost to cover expenses.

Mr. Bourne points out that the company has to face constantly rising price of labour and materials—rates alone have been increased by £85,000 for the coming year.

Meeting, 116-128 Oxford Street, W., May 28 at 12.15 p.m.

Haden Carrier reasonably confident

Mr. F. A. Pullinger, chairman of Haden Carrier, is "reasonably confident" of the stability of the group's future profits, he tells members in his annual statement.

To speculate about prospects is to speculate on the economic health of the Western world, and on the political stability of the Middle East, he points out.

About half of group activity is overseas and the world-wide base covers "the oil-rich countries, economically troubled Europe, unconfident U.S., the populous developing countries and the Eastern Bloc."

The group is sufficiently flexible to adjust to the changing future of these territories, though adjustments cannot be instantaneous says Mr. Pullinger. Projects, however, tend to be large and of long duration, and to some extent this limits the wilder fluctuations of fortune, so long as the group can contain or otherwise provide for inflation.

As known, taxable profits—on a new accounting basis—advanced from £1.79m. to £3.03m. in 1974 and the dividend is the maximum 6.318p (5.979p) net. An analysis of turnover and profit by activity shows (£000's omitted): building services and metal finishing contracting and design £120,293 and £3,466 and manufacturing and products £6,730 and £352, interest absorbed £785 of profit.

Exports increased to £720,000 (£283,000). A geographical analysis of turnover and profit before interest shows (£000's omitted): U.K. £74,775 and £1,711, Europe £32,948 and £2,059, Australia £8,911 and a loss of £269, Africa £7,205 and £100, and U.S. £3,184 and £203.

Meeting, 7, Tavistock Square, WC, on May 28 at noon.

Downturn at Baxter Fell

AFTER A disappointing first quarter by Baxter Fell and Co., chairman Mr. D. R. Peacock tells members he thinks the group will be unable to pull back sufficiently to produce half-year figures comparable with last year.

A vigorous campaign has been instituted to increase liquidity. Circumstances largely outside the group's control have not been helpful, but a major improvement, particularly in debtors, has been achieved and by mid-year the stock position should show a similar improvement.

Aided by the deferment of tax on stock profits, the group's liquid position is already "much improved."

While there is no room for complacency in a period of rapid inflation, Mr. Peacock says the group has now reached a situation which will enable it to secure a major increase of business when circumstances permit, without facing any further major capital expenditure at to-day's much higher prices.

As already reported profit before tax for 1974 advanced from £810,012 to £1.02m. and the dividend total is raised from 4.71p to, a maximum permitted, 5.1075p net.

A breakdown of profit shows: distribution £566,067, retail display £160,407, public wharfinging storage and haulage £196,802 and internal financing surplus £93,965.

Meeting, Waldorf Hotel, WC, on May 28, at 12 noon.

Chairman's statement Page 22

Dent Fownes

Dent Fownes, glove manufacturers and warehousemen, is recommending an unchanged net dividend of 1.4p per 20p share for the year to January 19, 1975.

Consolidated net profit fell to £130,279 from £217,563 after loan stock interest £12,634 (same), exceptional items nil (£17,000) and heavier tax of £123,636 (£67,806).

TKM sees much better year

FOLLOWING A fall in group profits of £1.4m. in 1974, Tozer Kemsley and Millbourn is expecting to do much better in the current year.

In his annual review, chairman Mr. K. A. Thorogood, points to a return to profits by TKM Investments. With the motor industry interests expected to show a recovery, this division should be "a solid contributor to the group," he says.

At TKM International the quality of business is improving all the time and another good result is anticipated, while the financial services division should also be making meaningful profits.

Price and Pierce is expected to perform well again, although profits here are not expected to reach the outsanding record level achieved in 1974, says the chairman.

As reported April 23, pre-tax profits fell from £4,312,000 to £2,923,000. The total dividend is still raised by the maximum permitted to 3.1008p per share (2.7563p).

An analysis of turnover and trading profit by activity shows (£000's omitted):—financing and confirming £365,000 and £853; goods sold on behalf of principals £286,000 and £2,797; U.K. importers and distribution £39,000 and £681 loss; and other activities £22,000 and £192, less central costs £265.

Exports of goods from the U.K. totalled £54m. (£41m.) and trade external to the U.K. amounted to £291m. (£222m.).

A geographical analysis of group turnover shows:—U.K. and Europe 53 per cent.; North America 8 per cent.; South and Central America 11 per cent.; Australasia and Far East 20 per cent.; and Africa and Middle East 8 per cent.

Commenting on 1974 the chairman says that the loss sustained by TKM Foods proved much greater than expected, and considerable re-organisation and rationalisation has been necessary to remedy the situation.

TKM International did very well, producing record results. Mr. Thorogood stresses that the figures were "all the more remarkable" because of a very considerable provision against a possible bad debt in the U.S.

The directors explain in their review that towards the year-end a client in New York ran into financial difficulties which, upon completion of audit, proved much worse than expected. The client continues to trade and the TKM directors hope that the provision may not be required.

TKM has not had to use the standby facilities arranged last year, and these remain intact as an "insurance against any economic storms the future might bring."

A statement of source and use of funds shows that during the year there was a decrease of £211,000 (£758,000 increase) in the value of marketable securities; an increase of £2,106,000 (£7,000 decrease) in deferred liabilities; an increase of £926,000 (£8.46m.) in bank balances; and a decrease of £2.77m. (£6.3m. increase) in bank loans.

The accounts show that during the year three directors received compensation for loss of office in overseas subsidiaries totalling £16,505.

Meeting, 28, Gt. Tower Street, June 4 at 11.45 a.m.

Chairman's statement Page 21

Burndene profit fall forecast

REPORTING first-half pre-tax profits down from £362,822 to £333,312, the directors of Burndene Investments say they anticipate the figure for the full year to May 31, 1975 to be about £550,000, which would compare with £736,000 previously.

First-half stated earnings per 5p share are down from 2.1p to 1.9p. The net interim dividend declaration is 0.335p—last year's interim was 0.335p and the total 0.7736p.

There is an extraordinary debit item of £151,523 (nil) being a provision for the diminuation of the value of the investment in the associated company, Peak Investments.

	First half 1974-75 £	1973-74 £
Turnover	3,967,670	4,629,641
Profit	333,312	362,822
Deprecn. charged	86,533	84,402
Tax	159,650	173,948
Net profit	173,662	188,934
Extraord. debit	151,523	—

Martin Black growth

BUSINESS TO date at Martin Black has continued to prosper, and chairman Mr. J. E. Arnold feels there are grounds for optimism for further growth in the current year.

He reports that there are heavy outstanding order books and aggregate output, turnover and profits in the early months are all ahead with many large export orders at profitable prices due for delivery over the coming months.

Efforts to mitigate delivery delays will be assisted by further increases in output anticipated in 1975 which will have the benefit of a full year's production from the new heavy plant at Coatbridge and the new Ropery in Edmonton, Canada.

There are still problems of profitability on home trade business, and although the current recessions in the U.K. and elsewhere are not yet having any serious effects upon overall business here, "we must look towards the possibility of these recessions having more impact upon us than we have so far experienced," warns the chairman.

As reported April 30 group profit, before tax, increased from £518,301 to £1,397,161 in 1974: the dividend is raised from 2.44p to 2.655p: and a one-for-20 rights issue is proposed at 60p per share. Treasury consent has been received for an intended 4p dividend for 1975 on the enlarged capital.

Mr. Arnold reports that in the U.K. the total order book is very heavy. The strong demand has been maintained in both home and export trades, and the group has been hard put to keep a fair balance between the requirements of home customers and the need to play a full part in the national interests in maximising exports—up 75 per cent. to £3.56m. in 1974.

On the subject of finance, Mr. Arnold tells members that in the past two years additions to fixed assets have cost over £1.2m. (before grants) and a programme of new capital investment in the U.K. aggregating almost £1m. for 1975 and the following year is under active consideration, while further expansion in the Canadian subsidiary is also being planned. These increasing capital requirements have so far been financed by retained profits, grants and borrowings. At December 31, 1974, total group borrowings had risen to £2.2m. from £1.04m.

It was felt that the opportunity should be taken to raise further permanent capital, both to meet part of these requirements and to increase the equity capital base. The availability of this additional capital will enable the directors to implement earlier a number of projects which they would otherwise have to defer until later years.

It is proposed to increase the authorised capital to £2½m. There is no present intention of issuing any of this additional capital but the chairman says there are a number of propositions at present in early stages of investigation for the possible acquisition of other businesses which it may be advantageous to acquire by share exchange.

Inflation adjusted accounts show pre-tax profits on a CPP basis at £1,164,600; profit attributable at £349,100 (£585,000 historical); and earnings per share at 10.13p (15.38p historical).

Meeting, Coatbridge, May 28 at 12.30 p.m.

The statement added that the directors had taken steps to put the company's operations on a sounder footing.

Home Counties Newspapers warning

The Home Counties Newspapers annual meeting was told that trading conditions remained very difficult and "it would be a brave man who would make any predictions for the half-year or the year."

It was certain that results for the current half year would, at best, show a substantial decline on the comparable period last year.

Clydesdale Investment

In their interim report, the directors of Clydesdale Investment give an estimate of earnings of 1.50p per 25p Ordinary share for the year to September 30, 1975, which would compare with 1.64p earned in the previous year.

Meanwhile, they report a first half available revenue balance of £414,184, against £415,407, after tax of £261,923 (£257,103). Preference dividends take £31,272 (same) and the Ordinary interim — 0.5p (0.4375p) as known—£250,725 (£217,842).

Net asset value per Ordinary and "B" Ordinary is shown at 60.4p (40.6p) including the full dollar premium. Credit has been taken for the investment currency premium on £842,391 surplus on currency loans.

Futura profit increase

The directors of Futura Holdings, footwear and rubber manufacturers, announce that unaudited pre-tax profits for the year 1974 improved to £188,000 from £178,000 in the previous year.

A second interim dividend of 5.6 per cent., payable May 23, has already been declared in lieu of a final. This will make a total distribution for the year of 9.8 per cent. against 9.56 per cent. for 1973.

LONDON TIN

In yesterday's issue, London Tin was incorrectly listed in the Financial Diary as having a Board meeting arranged for to-morrow, May 7. This should have alluded to London Trust.

Larkfold quote suspended

The shares of Larkfold Holdings were suspended on the Stock Exchange yesterday, at the company's request pending clarification of its position.

Larkfold, an investment company, reported a loss of £394,000 for the six months to June 30, 1974 and said in an interim statement that the year 1974 had been a difficult one.

COMPANY NEWS IN BRIEF

ELYS (WIMBLEDON) (departmental stores)—Results, for the 53 weeks ended February 1, 1975, reported April 9. Group fixed assets £3.90m. (£3.56m.). Group net current liabilities £95,875 (assets £38,020). The Group is well equipped for what will be difficult trading conditions in the days ahead. Meeting, Wimbledon, May 28, at 4 p.m.

ERITH AND CO. (builders' merchants)—Results for 1974 reported with prospects on April 4. Group fixed assets £1.26m. (£1.09m.). Net current assets £1.00m. (£983,170). Meeting, 228, High Road, Leytonstone, E., May 22, at 11.30 a.m.

H. AND J. HILL GROUP (iron castings and annealing cans)—Results for 1974 reported March 29. Group fixed assets £298,576 (£258,685). Net current assets £79,986 (£48,621). Meeting, Willenhall, May 23, at 2.30 p.m.

HOPKINSONS HOLDINGS (boiler mountings valves, etc.)—Results year to January 31, 1975, reported April 16. Group fixed assets £4.8m. (£2.89m.). Current assets £15.7m. (£10.65m.), liabilities £9.04m. (£2.9m.). Current year started with high level order books and prospects of manufacturing capacities being fully utilised. Current year should produce improved results, says chairman. Meeting, Huddersfield, May 22, noon.

S. JEROME AND SONS (HOLDINGS)—Results for 1974 reported April 18. Group fixed assets £1.27m. (£1.19m.). Group net current assets £1.43m. (£1.29m.). Meeting, Bradford May 23, 12.30 p.m.

LEADERFLUSH (DOORS)—Results, for 1974, reported March 29 with observations on prospects. Fixed assets £191,464 (£184,973). Net current assets £127,524 (£125,364). Meeting, Nottingham, May 28, at 12 noon.

LIDEN (HOLDINGS)—whitewood furniture manufacturers, etc.—Results year to Nov. 30, 1974, reported March 14. Group fixed assets £0.87m. (£0.93m.). Net current assets £0.83m. (same). Chairman confident of material improvement in profit for current year. Meeting, 227, Lea Bridge Road, E., May 20, noon.

THOMAS MARSHALL AND CO. (LOXLEY)—refractories—Results 1974 and observations on prospects reported April 19. Group fixed assets £1.82m. (£1.79m.). Net assets £3.25m. (£2.86m.). Meeting, Sheffield, May 22, noon.

MAXIMS (RESTAURATEURS)—Results for 1974, reported April 5. Fixed assets £131,965 (£106,754). Net current assets £27,309 (£25,620). Meeting, Paris, May 21, 12 noon.

METAL PRODUCTS CO. (WILLENHALL)—Results for nine months ended December 31, 1974, already reported. Group fixed assets £303,207 (£189,650). Group net current assets £353,685 (£328,630). Meeting, Birmingham, September 3, 12 noon.

SILHOUETTE (LONDON) (foundation garments, etc.)—Results, 1974, and observations on prospects, reported April 19. Group fixed assets £1.62m. (£1.39m.). Net current assets £1.84m. (£1.66m.). Meeting, 84, Baker Street, W., June 5, at 3 p.m.

SOUTHEND STADIUM — Operating profit 1974 was £76,625 (£61,003) after totalisator tax £54,780 (£45,920). Add rents receivable £23,845 (£21,066), etc. Profit £102,038 (£82,658) subject to tax £54,588 (£44,418). No final dividend as maximum dividend already paid.

STAG FURNITURE HOLDINGS—Results for 1974 reported April 4. Group fixed assets £1.15m. (£1.12m.). Group net current assets £1.08m. (£920,135). Meeting, Nottingham on May 21 at 12 noon.

STANWOOD RADIO—Results and observations on prospects reported April 12. Group fixed assets £1.08m. (£1.05m.). Current assets £2.17m. (£2.06m.). Current liabilities £6.80m. (£7.32m.). Confidence in the strength and viability of the company. Meeting, Loughton, Essex, May 28, at 12 noon.

TAYLOR PALLISTER—Results for 1974 reported April 18. Group fixed assets £249,267 (£232,655). Group current assets £903,177 (£763,007). Group current liabilities £520,346 (£391,778). Meeting, Newcastle-upon-Tyne, on May 22 at 11 a.m.

MINING NEWS

Amax expects to raise more money

BY LESLIE PARKER, MINING EDITOR

AT THE MEETING in New York of Amax its chairman Mr. Ian MacGregor said that internal cash generation in the next five years should produce substantially over $1bn. (£428m.) for the expansion and development of its business.

Even so, outside financing is expected. At the same time it is planned to increase the company's equity base when suitable opportunity arises in the market place, a situation which "may arise soon."

Mr. MacGregor confirmed his previous view reported here that current trends indicate that June quarter results may approach those of the first quarter's $38m. When viewing the whole possibilities for 1975 he again predicted profits below the record levels of 1974 but still considered that they would be satisfactory in the light of the serious drop-off in the markets for many metals.

His reasoning was Amax's diverse product mix and reasonably good markets for coal, molybdenum, iron ore, potash, oil and gas. In looking forward Mr. MacGregor said that this mix should offset any slack in demand for such volatile metals as copper and aluminium with increased output of the other ingredients "all less cyclical, good-quality components of our earnings base."

SHARP FALL IN GOLD PROFITS

Reflecting the disappointing March quarter average gold price received and thus the working profits for individual mines, total profits of South Africa's gold and uranium producers for the first three months of this year have dropped to R351m. (£220.7m.) from R432.7m. in the December quarter of 1974.

Profits for the first quarter of last year were R353.17m. and the year's total came out at a record R1.57bn., an increase of 66 per cent. over 1973.

WHIM CREEK IS STILL LOOKING

Australia's Whim Creek Consolidated, an offshoot of the Canadian - Irish Northgate Exploration group, is pressing hopefully on although it still has to produce a worth-while rabbit out of its exploration hat.

In this, as explained in the annual report, it is handicapped by the Australian Government's policies and legislation which place obstacles in the path of a company which is classed as foreign controlled. This makes it difficult to find joint venture partners.

In one respect Whim Creek deems itself to be fortunate. The restrictions on bringing in capital from abroad does not currently affect it in that it has sufficient funds to continue its programme of exploration at least up to the stage where major financing is required. In these circumstances, the company continues to search actively for new projects not only in base or precious metals but in industrial minerals. Yesterday the shares were unchanged in London at 42p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:— C.L.R.P. Investment Trust.
Finals:— Averys, Collett Dickinson Pearce International, Dunbee-Combex-Marx, Lesney Products, Mothercare, Oxley Printing, Tarmac.

FUTURE DATES

Interims:—	
Barget (J)	May 7
Fluidrive Engineering	May 15
Lawdon	May 8
London and Prov. Shop Centres	May 7
Moss Engineering	May 15
Tricoville	May 15
Williams (John) Cardiff	May 12
Finals:—	
Automotive Products	May
Ayrshire Metal Products	May 28
Baker Perkins	May 8
Beattie (James)	May
Chalmers (E)	May
Chloride	June 10
Coats Patons	May 28
FPA Construction	May 15
Furness Withy	May 13
Grampian Television	May 21
Mentmore Manufacturing	May 13
Merv O'Ferrall	May 13
NEI	May 8
Nurdin and Peacock	May 12
Photax (London)	May
Readicut International	May 14
Roberts Adlard	May 8
Viners	May 16
Walker (C & W)	May 7

NEW U.S. SALE FOR RIO ALGOM

The Rio Tinto-Zinc group's Rio Algom announces that it has received a letter of intent from the U.S. Washington Public Power Supply System for the purchase this year of 1m. lbs of uranium oxide in concentrates from Algom's stocks at the Elliot Lake uranium mines in Ontario.

Under a separate deal to be concluded with the Canadian Government's Eldorado Nuclear, the material will be converted to natural uranium hexafluoride at the latter's Port Hope refinery. The new agreement is subject to Government approvals.

It marks further progress made by Rio Algom in entering the U.S. market following the latter country's relaxation of its restrictions on the import of foreign uranium. Last September Rio Algom announced forward supply contracts covering 37m. lbs of uranium oxide to the U.S. One for a further 1m. lbs for delivery this year was reported last month. Rio Algom were £13½ cum-premium yesterday.

KATHLEEN DOES WELL BUT . . .

Australia's Kathleen Investments had a good year in 1974 with a consolidated net profit of $2.04m. An interim dividend of 2.5 cents absorbed $0.25m. and the company is hopeful yearly payments ca[n be] resumed.

The beach sa[nds] segment of operatio[ns] the earnings boost. future uranium pote[ntial] still engenders consid[erable mis]givings, particularly cent. stake in Queens[land's] big Nabarlek find in t[he Northern] Territory. This is stil[l] by the Australian G[overnment's] procrastinating polici[es on] nuclear material.

How or when such be implemented arrangements will b[e] enable Queensland Mi[nes] its sales contracts Japanese utility comp[anies is] not known. Kathleen previously reported, been able to follow up the RTZ group's Mar[y Kathleen] Uranium so its former stake therein has b[een] down to 2.7 per cent.

ROUND-UP

Canada's Kerr Add[ison] reports 1975 first-quart[er] of $2.77m., or 29 cent[s] compared with 35 ce[nts] first quarter of 1974. O[n this] occasion higher gold improved investment i[ncome] offset by a fall in the of the three Quebec mines which are ex[pected to cease] operations in the cu[rrent] months. The market [value of in]vestments increased to $10.15 per share, durin[g the] quarter and has since further $10m.

Australia's Robe R[iver] has a 35 per cent. int[erest] Robe River iron ore says that work has c[...] the March quarter to [...] latter's pellet plant a[...] city to 4.7m. tonnes tonnes. The company It has met all financ[...] ments for the expansi[on] far but its final involv[...] depend on current [...] with lenders.

Israel's production [of] phosphates is expect[ed to rise] from 0.4m. tonnes to 0[...] a year following the [in]auguration of a £13[...] ment plant. It is rep[orted from] Tel Aviv that it is al[so planned] to open up new depo[sits in the] Nahal Zin area of the [...] this is put at several ye[ars].

MINING BRIE[FS]

HONGKONG TIN—April [...] tonne (March ½ tonne).

KILLINGHALL TIN—Apr[il] Tin 44½ tonnes (March 61[...]).

MOUNT ISA MINES—Prod[uction for] four weeks to April 27: Lea[d] 190,745 tonnes, produced [...] grade lead and 16,357 [...] centrates. Copper ore tr[eated ...] tonnes produced 13,260 [...] copper. One operating day [lost due] to Easter Monday Holiday.

RAND MINES—Collieries [...] April (figures in tonnes): Wit[bank] Albion section 68,464; De[...] 137,649, Union section 24,6[...] drift section 85,722, Wolve[kraans] 132,145; Umgala Colli[ery ...] Welgedacht Exploration: U[...] 16,976, Zimbutu section [...] total 891,278 (March 893,125).

BIDS AND DEALS

Curzon Industrial turns in £436,000 for nine months

PRE-TAX profits of £436,000, on sales of £51.29m., were earned by Curzon Industrial Investments in the nine months to December 31, 1974, it is disclosed in documents containing details of the proposed merger between Curzon and Ben Turner and Son (Holdings). In the previous 12-month period profits totalled £649,000 on a turnover of £57.54m.

The merger, terms of which were announced in January, will be by way of a scheme of arrangement and the new group will be known as Turner Curzon. Curzon has already paid an interim dividend of 0.28p net per share and Ben Turner a second interim of 0.38p. If the scheme becomes operative a second interim of 0.26p will be paid by Curzon for the year ended March 31, 1975. Ben Turner will pay an interim of 0.31p net for the period from November 1, 1974.

In the documents, it is stated that the directors expect in the absence of unforeseen circumstances to propose payment of dividends for the period to March, 1976, of an amount that will maintain gross income received in the last full financial year of each constituent company.

Proposals will require approval of shareholders at meetings to be held on May 28.

ORION INSURANCE

The proposed scheme of arrangement whereby Orion Insurance would become a wholly owned subsidiary of Nationale-Nederlanden N.V. has been overwhelmingly approved by the shareholders entitled to vote.

The scheme will now be presented to the Court and a further announcement made in due course.

CUSSONS 'NO' AGAIN

Mr. Simon Cussons, chairman of Cussons Group, the Imperial Leather soaps concern, has again written to shareholders urging them to reject the bid by Paterson, Zochonis and Co. He points out that PZ has failed to reach the required level of acceptances and has extended its offer for two weeks—shareholders are accordingly advised to continue to reject the offer.

Cussons has forecast an increase in its dividend from 2.2p gross per share to 4p, which with its share price at 51p indicates a yield of 7.8 per cent. and not 12.3 per cent. as inadvertently stated on Saturday when calculating on the basis of a 4p net per share dividend.

ASSOCIATES DEALS

Cazenove last Friday bought 20,000 Midland-Yorkshire Holdings at 402p on behalf of an associate of Midland-Yorkshire.

Seymour Pierce, on behalf of trustees, sold yesterday 100,000 Compco Holdings at 55p.

S. G. Warburg on May 1 sold on behalf of an associate 10,000 Reed International at 269p.

L. Messel on May 1 sold 11,096 Croda International at [...] for an associate of Crod[a].

ADDA PROPER[TY] DISPOSALS

Adda International has [sold] further properties in [...] £337,000 cash. Proceed[s] used to reduce group [borrow]ness.

FRENCH KIER

In accordance with t[he] 1973 agreement for Fre[nch Kier] Holdings to acquire Ri[...] struction French Kier h[as issued] to the vendors an [...] 58,002 "A" Ordinary s[hares of] 25p. No further consid[eration is] payable—on the present [...] the "A" Ordinary this v[alues the] additional consideration approximately £10,560 the total consideration to [approxi]mately £318,000.

EAST RIVER—[...]

The partial offer and th[e general] offer made on behalf of E[...] Company for the Ordinar[y shares] in Let Holdings have bee[n ...] The partial offer was dec[lared] conditional on April 14, general offer has not be[en] been declared uncon[ditional.] Acceptances have been [received] for the partial offer in re[spect of] 105,311 shares and for the offer in respect of 120,590.

Shareholders are remin[ded that] forms of proxy in respec[t of the] proposals for redemption [of the] Preference capital m[ust be] received no later than 11 May 28.

SHARE STAKES

Sentinel Insurance has [...] of 1.85m. Ordinary in Lend[...] and Westcliff Properties lea[ving its] present holding at 23.56m [...] per cent.).

BURTON GROU[P]

The meetings of holde[rs of the] Burton Group 4 per cent Mortgage Debenture stock and 6¾ per cent. First Mo[rtgage] Debenture stock 1987/92 approved the proposed repa[yment] of the stocks.

BRISTOL STADI[UM]

The final dividend by [Bristol] Stadium, previously anno[unced] as 7.375 per cent., has [been] amended to 7.64 per ce[nt. to] comply with legislation.

FARMING AND RAW MATERIALS

More talks on rubber stockpile

KUALA LUMPUR, May 5.

EXPERTS FROM the Association of Natural Rubber Producing Countries (ANRPC) begin a four-day meeting here to-morrow to discuss details of Malaysia's proposals for an international rubber stock, reports Reuter.

Malaysia, Indonesia and Thailand laid the foundation for the scheme here in March.

The Secretary-General of ANRPC, Mesljono Partosoedarso of Indonesia, said the experts will consider four working papers connected with the scheme. They cover demand and supply potential of natural rubber, financing, supply nationalisation measures, and the organisation of the buffer stock scheme.

Malaysian rubber officials said the meeting will be a forerunner of a meeting of the ANRPC executive council to be held here next month. The executive council meeting will be followed by a meeting of the Ministers of the ANRPC in September when, it is hoped, the rubber buffer stock scheme will take concrete shape.

● World natural rubber output fell to 285,000 tonnes in January from 330,000 tonnes in December and 377,580 tonnes in January, 1974 (including a provisional 13,973 tonnes delivered from government stockpiles), according to figures issued by the International Rubber Study Group.

Consumption rose to 287,500 tonnes in January against 272,500 in December, and 295,000 in January last year.

Glasshouse plan rejected

By Our Commodities Staff

EEC COMMISSION proposals to help glasshouse growers overcome the increase in fuel oil costs were unacceptable said the National Farmers' Union yesterday. They would lead to unfair competition between member States said Mr. R. Fouracres, chairman of the NFU Glasshouse Committee.

If the British Government refused to reinstate a national subsidy while other States continued their aid, British growers would be left at a serious competitive disadvantage.

He said the only practical solution was for the Community itself to fund a degressive aid scheme for producers to give them a reasonable breathing space to adjust to the "quite unparalled increase" in energy costs.

Surprise stocks increase hits copper market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell sharply on the London Metal Exchange yesterday, following news of a far bigger than expected rise in warehouse stocks.

It had been generally anticipated late last week that stocks would rise by between 5,000 or 7,000 tonnes at the most, but in fact it was reported yesterday that the increase was 12,250 tonnes raising the total holdings to a new all-time peak of 215,850 tonnes.

The surprise stocks increase brought in a new wave of selling, both stop-loss and chartist, which met only limited buying interest and as a result cash wirebars closed £10.75 down at £527.75 a tonne, the lowest level since February.

With trade demand almost non-existent at present, and little propspect of a revival during the traditionally quiet months, it is being freely predicted that copper prices may well test the lows of below £500 for cash plumbed in January this year, if stocks continue to advance at the recent rate of increase.

During the past eight weeks the total stocks in LME warehouses have jumped by over 51,000 tonnes, despite the cutbacks announced by Cipec (the Council of Copper Exporting Countries) and by mining companies in most other major producing areas.

However, the lower the price sinks the more interest there is in long-term investment buying on the basis that copper is now below the cost of production for many mines and must eventually rise sharply.

Depressing

It is believed that some of the buying support yesterday was based on the view that the point had been reached again when long-term investment was worthwhile. Although the rise in warehouse stocks is obviously a depressing feature, what is not known is how much of the total holdings are effectively "locked away" only for sale at much higher price levels.

The fall in copper affected the other base metals markets too, notably lead where a stocks rise of 3,000 tonnes to a total of 37,525 tonnes was also much more than expected. Despite buying, believed to be on behalf of producers, the cash price fell by £4.75 to £190.5 a tonne, its lowest point since November 1973.

It was reported that American Smelting and Refining Co had cut its U.S. producer price for long-term contracts from 24.50 to 22.75 cents a lb. and a similar reduction had been made by NL Industries. But Cominco said it was not making any cut and this view could well be followed by other primary producers, who consider that lower prices do not help stimulate extra sales.

On the other hand, smelters producing on a toll basis do benefit from a price cut in that it reduces the cost of paying for scrap intake.

The rise in zinc stocks, up by 1,350 to 14,400 tonnes, was in line with expectations. However, the lower copper and lead prices brought renewed selling pressure and the cash price fell by £6.25 to £320 a tonne, despite some influential buying support. However the zinc producers made it clear on Friday that they were determined to keep LME values reasonably in line with the European producer price of £360.

The fall of 80 tonnes in tin stocks to a total of 5,655 tonnes was also as anticipated. Support buying, thought to be on behalf of the buffer stock of the International Tin Agreement, came in at a rather lower level of £2,960 a tonne for high-grade cash tin, and there was also some "borrowing" (buying cash and selling an equivalent amount for forward delivery a month ahead). LME silver holdings fell by 450,000 to 12,200,000 ounces.

U.S. grain estimates raised

CHICAGO, May 5

PRIVATE CROP forecaster Conrad Leslie estimated the 1975 U.S. winter wheat crop at a record 1,678,539,000 bushels, reports Reuter. This compares with 1,599,527,000 bushels projected by the U.S. Department of Agriculture last December and the yield last year of 1,391,303,000 — the previous record.

Leslie put the average yield at 33.1 bushels per acre against 29.5 last season and the record of 35.4 in 1971.

He estimates 50,650,000 acres will be harvested of the 55,540,000 planted last autumn: Last year 47,117,000 acres were harvested of the 52,407,000 planted.

On 1975 U.S. maize and soyabean acreages, Leslie said inquiries in the last week of April generally indicated farmers are still determining them. His opinion poll suggests that in most States there will be more maize and soyabean planted in 1975 compared with expectations on March 1.

The Commonwealth Secretariat now puts world 1974-75 grain output (wheat, maize, barley, oats and rye) outside China at 5.8 per cent. lower than in 1973-74, according to its latest Grain Bulletin.

Although harvesting in the Southern Hemisphere is under way, there has been a deterioration in the prospects of the maize harvests of South Africa and Argentina.

Our commodities staff writes: The Leslie report encouraged a further decline in Chicago grain prices in early dealings yesterday. Wheat and soyabean futures moved into new low ground, while maize prices also fell sharply.

Meat by-products 'wasted'

BY PETER BULLEN

BETTER USE of meat by-products could help to keep retail meat prices down, butchers claimed yesterday. Britain is throwing away millions of pounds worth of by-products every year while spending millions more on importing similar products, complained Mr. Leslie Marshall, the new president of the National Federation of Meat Traders.

There had been a dramatic drop in the value of by-products, he told the federation's annual conference at Harrogate. In 1973 the fat and bones industry was valued at £200m. and now it was down to £80m.

"Increasing pressure from local authorities has resulted in the closure of seven processing factories and consequently thousands of tons of by-products are being dumped every week," he added.

The value of finished products from the waste would run into millions of pounds, while millions more was spent on importing similar products.

End of U.K. beet sowing in sight

By Peter Bullen

PLANTING OF Britain's planned 490,000 acres of sugar beet is now nearing completion, the British Sugar Corporation announced yesterday.

About 425,000 acres, or nearly 90 per cent., has been sown and Mr. Peter Dyke, BSC chief agriculturist, said that germination appeared to be good and the field emergence of earlier sown crops was high. These signs must augur well for a reasonable crop yield, he added.

The progress in the U.K. crop, which was not unexpected with the continuing dry weather, helped to keep prices on the London terminal market around the low levels that had been reached earlier in the day. Values had dropped on reports that the Dominican Republic was planning a selling tender for 150,000 tonnes of raw sugar this week but the reports were not substantiated.

At the close, October sugar was £14 down at £174.5 a tonne although the London daily price, which was fixed in the morning before the decline in values on the terminal market began, was unchanged at £198 a tonne.

Cocoa prices down sharply

By Our Commodities Staff

LACK OF consumer support for cocoa in the face of a new wave of speculative selling led to another sharp fall on the London terminal market yesterday. July cocoa ended the day at £453.0 a tonne, £17.25 below Friday's closing price.

A spill-over of offerings from the weak Paris market and evidence of some producer selling were also quoted as factors in the decline.

The market had opened fairly steady but was forced down throughout the day by Commission House selling pressure. A significant part of the fall took place very near the close.

ISRAEL TO BUY ARGENTINE BEEF

BUENOS AIRES, May 5

Israel signed a $100m. contract to buy boneless Argentine beef over the next five years, according to the Israeli Embassy, reports Reuter.

The first shipment of 3,000 tons is to leave here in June.

U.K. AGRICULTURE

How Britain could feed itself

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IT IS becoming fashionable to picture a doomwatch situation where Britain, shorn of its imports of food, whether cheap or dear because of the effects of war or a currency crisis, is reduced to starvation and anarchy. Because Britain imports about 35 per cent. of its temperate food, so the argument runs, we shall always be dependent on imports for survival.

This view is countered in a book published to-day by Dr. Kenneth Mellanby, former director of the Monkswood Experimental Farm, and himself a professional entomologist. Monkswood is devoted to research on ecological and environmental grounds, a subject which rouses the hackles of most farmers.

Such people, in the experience of most farmers seek to interfere with the development of modern farming. But Dr. Mellanby is no "muck mystic," and his book is a sober analysis of the possibilities of Britain's food being largely supplied from its own acres.

As a practical farmer I cannot fault Dr Mellanby's case that we could, if necessary, produce enough food here to give the public the necessary 2,700 calories needed to sustain a healthy life.

It is true that diets would have to change from our present mixed platter to something approaching the war time one with the major emphasis on potatoes and cereals, with a marked reduction in meat and sugar consumption, but with rather more milk than at present.

He is particularly insistent that cereals should not be fed to livestock. Farmers claim that a broiler needs 2 lbs of grain to produce 1 lb of live weight. This is wrong, one of those pounds is waste offal and carcase and the pound of flesh contains 70 per cent. water. In the case of cattle and pigs, where returns of six and four to one respectively are claimed, the real figures by his reasoning are 30 and 20 to 1.

This calculation is particularly relevant when considering the needs of the underdeveloped countries, who might well survive on the rations that the affluent West gives its animals.

Dr. Mellanby envisages that most of the meat would be beef, a by-product of an increased dairy herd, with some mutton and lamb reared on grass much more intensively managed even than at present. But the beef would be grass fed for three years instead of "barley beef."

More meat

He does not look for an increase in sugar beet production arguing that with present sugar consumption at more than 2 lbs per week per person, a reduction to half a pound would harm no one in health terms, and might conceivably do them some good.

He admits, though, that such a diet would be very dull, and that there would have to be rationing of scarce items such as meat to avoid having these rationed by price. He points out, though, that the modern custom of eating large amounts of animal protein is comparatively recent, and more a luxury than a necessity. A hundred years ago there were 6m. cattle as against 15m to-day, 2m. pigs against 9m. and 10m. fowls as against 144m. Only sheep have remained at roughly the same levels.

A programme such as this would of course bankrupt many farmers whose turnover depends on large quantities of purchased feeds. And it would probably drive the population to widespread black-marketing besides making sure that which ever Government brought it in would be slung out at the next election, unless the need for it was amply demonstrated.

It also postulates the availability of sufficient fuel and fertilisers, but except for phosphates all these items seem to be under our own control.

Dr. Mellanby's argument contradicts the assertion that because during the last war we had to import a sizeable quantity of food, we should have to do so again. But the doomsters have forgotten the fact that cereal yields have doubled since then, and are likely to go on showing a similar increase as long as the resources for growing them are available.

In my opinion, only a policy relying on what is called organic farming, for example, non-use of inorganic fertilisers is likely to reverse this trend, and condemn us to starvation or surrender.

Acceptance of such a programme will be difficult but not impossible. During my school days I was fed on a diet approximating to Dr. Mellanby's, being largely farinaceous and generally revolting. It provided enough energy for many sports like rugby football but left little over for sexual stimulation. Probably the ideal diet for an over populated island such as ours.

"Can Britain Feed Itself" Merlin Press, £1.95

Burma's rice export prospects

BY OUR OWN CORRESPONDENT

RANGOON, May 5.

BURMA MAY be able to export up to 600,000 tons of rice this year as the paddy output, despite widespread floods in August, has been good and the Government's paddy procurement programme has been doing well.

By the third week of March, the 900 Government purchase depots opened in 12 rice-growing regions had bought nearly 120m. baskets (46 lb each) of paddy, compared with only 72.2m. in the whole of last year.

As farmers are still reported to be bringing their stocks for sale to the depots, it is almost certain that the Government will achieve this year's procurement target of 146.4m. baskets when the six-month buying season ends on April 30.

Burma put 12.78m. acres under paddy in the last agricultural season, beginning July 1974. Some 484,000 acres were destroyed by the August floods, but the paddy output, estimated at 411.3m. baskets, was only about 1m. less than last year's.

The authorities believe that this quantity can leave a surplus of around 146m. baskets after allowing for the farmers' needs for consumption and seeds. Arrangements were accordingly made to procure at least 146.4m. baskets from farmers. After milling, this surplus will yield enough rice for the non farming section of the population and also for export of up to 600,000 tons.

The success of the purchase programme this year has been due to the Government's new procurement strategy by which material inducements to farmers are combined with legal coercion. The official paddy purchase price was raised 50 per cent. to kyats 900 (about £60) from kyats 600 per hundred baskets for compulsory sales.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lost further ground on the London Metal Exchange. Prices were lower from the outset following the much larger than anticipated increase in the already record warehouse stocks figure. Stop-loss and chartist selling, coupled with arbitrage offerings [illegible]

[illegible]

TIN—Easier. Prices drifted in line with Penang overnight but renewed influential demand was again seen in High Grade cash metal which was thought to have been on behalf of the buffer stock manager. Influential borrowing of cash metal was also reported. Turnover 870 tonnes.

Morning: Standard: cash £2,970 [illegible] High Grade, untraded. Kerbs: Standard: three months [illegible]. Afternoon: Standard: three months [illegible]

[illegible]

COCOA

Speculative buying initially held prices steady, but heavy liquidation developed late in the day causing prices to close with losses extending to nearly £20, reports Gill and Duffus.

[illegible]

COFFEE

[illegible]

SILVER

[illegible]

RUBBER

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

VEGETABLE OILS

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 5 1975	+ or —	Month ago
Metals			
Aluminium (n)	£278.5		£578.5
Free market clf	£285-295		£290-300
Copper)			
Cash Wire Bars (n)	£527.75	−10.75	£574.5
3 month do. do. (n)	£546.25	−9.5	£592.5
Cash Cathode (n)	£517.5	−10.75	£563
3 month do. do. (n)	£536.75	−10	£582
Gold ... Troy oz.	£165.75	−1.5	£178
Lead Cash (n)	£190.5	−4.75	£206.5
3 months (n)	£195.75	−6.5	£204.25
Nickel (n)	£1,866.8		£1,848.8
Free market clf (lb)	$1.70-1.8		$1.75-1.9
Platinum troy oz.	£67-71.5		£71.5-78
Free Market	£61-63	−0.75	£66-68
Quicksilver (76lb)	$167-142		$165-185
Silver Troy oz.	164p	−2.8	178.3p
3 months	169.9p	−2.8	180.9p
Tin Cash (n)	£2,969.5	−15.0	£3,048.5
3 months (n)	£2,996	−16.0	£3,071.5
Wolfram 22.04lb cif	$41.5-45	+0.25	$40-41
Zinc Cash (n)	£322	−6.25	£326.5
3 months (n)	£500.5	−4.5	£326.25
Producers (n)	£360		£360
Oils			
Coconut Malayan			
Groundnut			
Linseed Crude (n)	£457		£416
Palm Malayan (n)	£185		[illegible]
Soyabean (n)			
Seeds			
Copra Phillip ton	$275		$305
Gr'nuts Nigerian			
Linseed Can. No. 1	£164.7		£174
Grains			
Barley EEC	£49.75		
Home Futures	£49.05	−0.05	£48.8
Maize			
French No.3 Am.	£51.5		
S.A. Yellow Fut.			
Wheat			
No. 1 Red Spring			
No.2 Hard Winter	£64.2		£61.9
Australian			
English Milling	£51.5		£53
Cocoa Shipment (n)	£505.5	−18.0	£683.5
futures July	£453.0	−17.25	£599.25
Coffee Shipment (c)			
futures July (U lb)	£390.25	−4.5	£421.25
Cotton 'A' Index			
cent	54.05	+0.1	50.5
Jute UABWC (d)	£244		£244
Rubber kilo	26.0p		26.5p
Sisal EA&L (n)	$850		$850
Sugar	£198		£240
Wooltops 64s kilo	167p		174p
Cloves (Madagascar)	£2,350		£2,390
Pepper White ton	£840		£840
Black ton	£675		£705

* Nominal. † Seller. § Unofficial close. ‡ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa. U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. o Seller's quotation. h January. k Jan.-Feb. u Metric tons. r Jan.-March. v February. s Feb.-March. t Nov. q May-June. w Nov.-Jan.

INDICES

FINANCIAL TIMES

May 5	May 2	Month ago	Year ago
158.89	161.44	169.39	223.97

(Base: July 1, 1952=100)

REUTER'S

May 5	May 2	Month ago	Year ago
1075.7	1075.5	1088.3	1400.2

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 5	May 2	Month ago	Year ago
Spot	277.11	282.35	306.04	331.75
Futures	255.21	263.87	282.19	304.16

(Average 1924-25-26=100)

MOODY'S

Moody's	May 5	May 2	Month ago	Year ago
Spie Commdty	719.4	726.6	741.3	707.1

(Dec. 31, 1931=100)

U.S. Markets

Maize and wheat fall in sympathy

NEW YORK, May 5.

SILVER RALLIED on Commission House buying while copper declined as LME stocks reached a new record level. Cocoa remained on the defensive following a bearishly-construed production report. Trade selling pushed sugar sharply lower in thin trading conditions. A bearish private crop estimate forced Chicago beans limit down with maize and wheat following in sympathy.

Gold (troy ounces)—May 162.50 (164.00), June 163.50 (165.00) July 164.50, August 165.50, Oct. 167.60, Dec. 169.70, Feb. 171.90, April 174.10, June 176.30, August 178.50 settlements. Sales: 679 lots of 100 troy ounces.

Cocoa—Ghana spot 59 (61), Bahia spot 52½ (54½). May 49.25 nom. (51.15), July 45.00 (46.80), Sept. 45.00, Dec. 46.05 nom., March 46.67 nom., May 46.80, July 47.30 nom., Sept. nil. Sales: 1,747.

Coffee—Spot Santos No. 4 unq. (same), Colombian Mams unq. (Same). "C" Contract—May 49.25 asked (46.30-46.90), July 50.00 (49.90-50.10), Sept. 51.10-51.15, Nov. 51.20-51.55, Dec. 51.40, March 51.60-51.99, May 52.15-52.45. Sales: 210.

Copper—May 54.10 (54.40), June 54.30 (54.50), July 55.00, Sept. 56.10 settlements. Sales: 1,459 lots.

Cotton—May 44.54-44.73 (44.66), July 45.63-45.65 (45.96), Oct. 46.92-46.93, Dec. 47.79-47.80, March 48.70-48.80, May 49.30-49.35, July 50.00-50.05, Oct. 50.25 bid. Settlements. Sales: 1,432.

Greasewool—Spot 131.0 nom. (same), May 129.0-137.0 (129.0), July 133.1-140.0 (135.0), Oct. 136.0-143.0, Dec. 140.0-147.0, March 141.0-145.0, May 142.0-149.0, July 142.0-150.0, Oct. 142.00 bid. Settlements.

†Lard—Chicago loose 26½ nom. (26½ asked). NY drummed 32½ nom. (same).

††Maize—May 275½-275 (280¼), July 271½-271¼ (277½), Sept. 256½-258½, Dec. 248½-248, March 249½-249½, May 251½.

‡Platinum—July 144.90 (143.00), Oct. 147.70 (148.10), Jan. 151.20, April 157.30, July 157.00, Oct. 160.10-160.20. Settlements. Sales: 124.

**Silver—Spot 430.00 (same), May 434.90 (429.90), June 437.00 (432.30), July 440.00, Sept. 446.00, Dec. 454.90, Jan. 457.70, March 463.50, May 469.20, July 475.10, Sept. 480.90. Settlements. Sales: 5,157.

*Soyabeans—May 515½ asked (535½), July 502-501½ (521½), August 497½, Sept. 492-492, Nov. 492½-497, Jan. 495½, March 505, May 511, July 517.

§Soyabean Meal—May 118.00 (122.10), July 118.50 (122.50), August 120.10-120.20, Sept. 121.50-122.50, Oct. 122.50, Dec. 125.50, Jan. 126.50-127.50, March 130.00-131.00.

Soyabean Oil—May 22.40-23.50 (24.55), July 22.25-22.30 (23.15), August 21.60, Sept. 21.05, Oct. 20.70, Dec. 19.50, Jan. 19.50-19.65, March 19.10-19.15, May 18.20-15.00, July 18.10-18.00.

Sugar—Spot 15.00 (19.50), July 17.35-17.50 (19.20-19.30), Sept. 16.80-16.90 (18.45-18.65), Oct. 16.50, Jan. 16.05 nom., March 16.01-16.05, May 15.70 nom., July 15.05, Sept. 14.60-14.70, Oct. 14.25. Sales: 3,289.

Tin—315.0-365.0 nom. (315.0-364.0 nom.).

**Wheat—May 310 (320½), July 309-309½ (319), Sept. 315, Dec. 325, March 332½.

WINNIPEG, May 5. ††Rye—May 212 bid (215½), July 214½ (217 asked), Oct. 205½ bid, Dec. 204 bid.

cOats—May 167½ bid (170), July 165 (166 asked), Oct. 163½ asked, Dec. 160 nom.

§Barley—May 238 (241½), July 229½ asked (233 bid), Oct. 221, Dec. 220 nom.

dFlaxseed—May 820 (832 bid), July 816 (820 bid), Oct. 736 bid, Nov. 776 bid, Dec. 765 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 497 (494½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lb f.n.b. NY. ‡ Cents per troy ounce ex-warehouse. § New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 34-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

Paper industry sales swell Stora Kopparberg profits

BY WILLIAM DULLFORCE — STOCKHOLM, May 5.

STORA KOPPARBERG'S final report for 1974 demonstrates how the Swedish forest industry and steel concern relied on the boom in pulp and paper products for the 91 per cent. rise in its pre-tax profit. The decline of the paper market, coupled with falling prices for many steel products, prompts the Board to forecast a drop in earnings for 1975.

The concern's result after depreciation but before financial costs was Kr.436m. (£46m.) after a 38 per cent. turnover growth to Kr. 3.6bn. (£380m.). Pulp and paper provided Kr.333m. of this result compared with Kr.92m. the previous year, while steel products accounted for only Kr.67m. compared with Kr.124m. in 1973.

Steel, however, continued to furnish over half of the parent company's total sales of Kr.3.5bn., an increase of just over Kr.1bn., of which no less than Kr.954m. were due to price increases. The rise in the volume of sales was, thus, insignificant.

Raw steel production at the Domnarvet works declined by 5 per cent. to 1.2bn. tons last year as a result of interruptions from rebuilding and modernisation, unforeseen repairs and a labour shortage. Most Domnarvet products recorded basic price increases of 15-20 per cent., but by the end of the year prices had started to fall again. Energy costs for steel-making at Domnarvet rose during 1974 from Kr.85 to Kr.225 per ton, making up 18-20 per cent. of total production costs.

The corresponding increase for newsprint was Kr.70 per ton, but cost increases for forest products were more than covered by the price rises achieved. Orders for pulp were still high at the beginning of 1975, but the Board feels more uncertain about marketing possibilities later in the year. Demand for cardboard and fine paper started to decline in the last months of 1974 and the concern plans a cutback in timber output of 20-30 per cent. this year.

The parent company showed a pre-tax profit of Kr.289m. compared with Kr.152m. in 1973, after appropriations which included Kr.122m. for the obligatory investment and environment funds introduced by the Swedish Government. The net profit was Kr.70m. against Kr.50m. the previous year and the Board proposes to pay a dividend of Kr.12 per share compared with Kr.10 plus a Kr.2 bonus in 1973. Capital investments during the year nearly doubled to Kr.334m., of which Kr.158m. went to the steel sector.

The Board anticipates falling demand for several products this year, even for special steels, which have so far held up well, both pricewise and in new orders. Although a running down of stocks by customers and dealers may account in part for the weakening demand, it is substantially due to a real decline in consumption, the Board says. Orders in hand at the turn of the year were valued at Kr.1.5bn. compared with Kr.1.6bn. a year earlier and under the circumstances capacity is not expected to be fully utilised this year.

Uddeholm sees downturn

BY WILLIAM DULLFORCE — STOCKHOLM, May 5.

UDDEHOLM, the Swedish steel and forestry products concern, plans to expand operations through a Kr.1.3bn. (£137m.) five-year development plan after consolidating its financial position in 1974. The group's pre-tax profit rose from Kr.105m. to Kr.356m. (£37.5m.) after a 40 per cent. increase in sales to Kr.2.26bn. (£238m.).

The pre-tax profit includes a figure of Kr.124m. covering parent company stock appreciation. Adjusted earnings per share, excluding stock price increases, rose from Kr.15.50 to Kr.48.50. The Board proposes to pay a dividend of Kr.8 plus a Kr.1 bonus per share compared with Kr.7 per share for 1973.

Some 63 per cent. of group sales were made abroad. The highest percentual increase in turnover last year came in forestry products, where sales rose from Kr.498m. to Kr.741m. Steel turnover rose by 42 per cent. to Kr.1.3bn.

For 1975 the annual report notes high raw material costs, wage increases and an uncertain currency situation as negative factors. On the positive side customers' stocks of Uddeholm's more important products are relatively small, there are substantial orders in hand for special steels and the concern can rely on its own sources of wood and electric power. The 1975 result is expected to be lower than for 1974 but better than that for 1973, when the improvement in business got under way, the Board estimates.

SCA investment warning

BY WILLIAM DULLFORCE — STOCKHOLM, May 5.

SVENSKA CELLULOSA (SCA), Sweden's largest private pulp and paper manufacturer, warns in its final report for 1974 that profit levels will have to be considerably higher than previously, if it is to find the capital needed over the next few years to replace equipment and expand its operations. The warning is the more pointed in that SCA achieved a record profit in 1974 after a 34 per cent. increase in turnover to Kr.2.7bn. (£280m.) and has a particularly strong liquidity position.

Return on working capital over the last few years has averaged 11 per cent. but, it is understood, the SCA management calculates that a return of around 15 per cent. will be needed in future. SCA is on the point of taking over Moelnlycke, the hygienic and consumer paper products concern, in a Kr.356m. (£37.5m.) deal, which will result in a group with a combined turnover of some Kr.3.5bn. (£370m.) a year.

The annual report forecasts that the weakening in the market for forestry industry products will persist through 1975 and that a decline from the high 1974 profit level is unavoidable, although the exact extent of the drop is difficult to predict.

Demand for sawn timber, board and plywood started to fall from the second quarter of last year while a second half decline in wallpaper demand led to cuts in production at the group's French, Danish and German factories. Full production of pulp is expected to be maintained through 1975, despite a weakening in the market from the beginning of the year, and the management foresees lower demand even for newsprint.

SCA's pre-tax profit rose from Kr.281m. to Kr.747m. (£79m.) last year. Net earnings per share climbed from Kr.40.90 to Kr.104.20 but, if stock price increase are excluded and depreciation is adjusted to replacement estimates, the increase is from Kr.36 per share in 1973 to Kr.87.60 per share in 1974.

After appropriations, including those to obligatory state funds, the group net profit was slightly more than doubled to Kr.133m. The parent company shows a net profit of Kr.121m. and the Board recommends a Kr.1 increase in dividend to Kr.11 per share plus a bonus issue of one-for-four. It also proposes to donate a scrip issue of 62,500 shares (after the bonus) valued at approximately Kr.12m. to the SCA staff trust.

The present equity of Kr.377.4m. will also be increased by up to Kr.125.9m. through a new issue on offer to Moelnlycke shareholders. In addition, SCA is issuing a new debenture loan to a nominal value of maximum Kr.105m. to help cover the take-over.

Innocenti-Leyland to cut output

By Anthony Robinson

ROME, May 5.

INNOCENTI-LEYLAND, the wholly owned Italian subsidiary of the British Leyland group has decided after negotiations with the unions to cut production for 24 working days in the period up to end September in order to reduce stocks and bring production into line with lower demand. Management has agreed to meet the unions again in July to reconsider the situation.

Last year Innocenti was the only Italian car producer to avoid short-time working. It produced 65,000 cars and in the financial year to end September reported a small loss of L51m. (£350,000) on a turnover of around L100bn. (but this was after depreciation of over L4bn. — £2.7m.).

This year's output target has been revised downward to around 57,000 units, taking into account market conditions and the stock level of around 11,000 unsold vehicles compared with the normal 6,000.

Since taking over Innocenti the British parent company has invested over L20bn. principally in tooling up for production of a new Italian-designed version of the Mini with coachwork by Bertone, which has received enthusiastic reviews in the motoring press.

This new model is expected to be the spearhead of an export effort aimed at covering up to 40 per cent. of total production. Marketing the new model has just started in Germany, France and other Common Market outlets, as well as Switzerland and Austria. British Leyland's decision to sell its Spanish Authi operation has also raised the prospect of Innocenti exports to this market as well.

Prior to the purchase by British Leyland Innocenti was not allowed to export its Italian-assembled models. The Italian-assembled Mini has sold well for many years but sales of the recently introduced Regent model (the name given to the Allegro) have not come up to expectations. Investment in the "Italian Mini" has contributed to boosting Innocenti's overall production capacity up to 400 units daily or around 100,000 units annually. Part of this investment was financed by a L9bn. medium-term loan from the Italian bank Efibanca. Innocenti also has a further L8.7bn. of short-term debts to Italian banks.

This recent investment by the British parent company is cited by Innocenti management here as evidence that the virtual State takeover of Leyland will not lead to the sale of the Italian subsidiary, in spite of the recent Leyland withdrawals from other overseas manufacturing operations in Spain, Australia and elsewhere.

TWA appeals to CAB for urgent $181m cash aid

BY JAY PALMER — NEW YORK, May 5.

TRANS WORLD Airlines appealed this afternoon for urgent federal Government cash aid of $181.1m. to offset its anticipated domestic losses during the current year. In its petition to the Civil Aeronautics Board, the airline hinted that it might have to impose severe route cutbacks if the aid was not granted.

At the same time, TWA asked the CAB to consider and grant an immediate across-the-board fare rise of 5 per cent. This, it said, would increase annual revenues by about $55m. and, if approved, would result in the subsidy request being cut back by about $30m.

The airline stressed that its current aid demands were only to offset losses on the domestic side. The $181.1m. was in addition to its still outstanding plea for $61.6m. worth of subsidies for its international routes. Both requested subsidies, TWA pointed out, were aimed at making up losses from the sharp rises in fuel costs over the past 12 months.

Last month TWA stunned Wall Street and the rest of the airline industry by revealing a first quarter 1975 loss of $73m., a record loss for any airline ever and well above its total 1974 deficit of $23.6m. In to-day's petition, TWA explained that $94.7m. of its requested $181.1m. was to offset anticipated domestic losses for the year to next May. The remainder was to give it an approximate 10 per cent. return on its investment.

TWA's projected domestic loss seems if anything optimistic compared to its first-quarter domestic loss of $53m. Traffic is continuing to slump and profit margins are wilting under the industry's continuing fare discount war.

Despite this, there seems little chance of TWA ever being granted either of its aid requests. While the CAB itself is considered sympathetic to the troubles of the industry (especially when these are based on the costs of fuel), the money for any subsidy would have to be specifically granted by Congress and such special funding is giving very little chance of being approved.

Reuter adds from Seattle: Boeing sales for the full year will be between $3.5bn. and $3.6bn., down from $3.7bn. a year ago, chairman T. A. Wilson has told the annual meeting.

Sales for the second quarter will be higher than the $839.9m. of the first quarter, with third and fourth quarter sales near the first quarter level, he said. The total backlog as of March 31 was $3.7bn. compared with $3.8bn. at year end 1974.

Japan fibre groups earnings cut

BY PETER DUMINY — TOKYO, May 5.

MOST OF Japan's synthetic fibre makers report trading losses for the six months ended March 31, making it a disastrous year in which the industry's pre-tax profits appear to have averaged an 85 per cent. drop on sales which were within 3 per cent. of the previous year's.

The results of Toray Industries, Kuraray, Mitsubishi Rayon and Toho Rayon, show only Kuraray pushing up sales in the second half or in the year as a whole. But the cost was staggering. For the year Kuraray's pre-tax profit (before special items) was 91 per cent. lower at £1.4m. from sales 5 per cent. higher at £259m. The second half's contribution was a loss of £3.1m. from sales of £131m.

Clearly aggressive price-cutting did not pay. However production cutbacks and retrenchment were scarcely more successful.

Toho ended the year with a £2.7m. trading loss from sales which were 7 per cent. lower at £92.3m. All the loss came in the second half when sales were 21 per cent. down on the £51.5m. reported in each of the two previous six-month periods.

Mitsubishi was saved from similar ignominy by a better first half. It produced a £1.7m. pre-tax profit for the year (down 90 per cent.) from a turnover 8 per cent. smaller at £241m. The second half contributed a loss of £1.3m. from sales of £110m., 22 per cent. lower than for the corresponding months of 1973-74.

By comparison, Toray's results are almost respectable. The second half gave a trading profit of £1.6m. from sales revenue cut by 17.5 per cent, to £231m. This meant, for the year, pre-tax profits 73 per cent. lower at £16.2m., from sales 3 per cent. shaved to £509m. Earnings were 55 per cent. cut, to £12.3m.

The all-round complaint is that markets contracted, first at home and later abroad—the latter even though Japan is the major supplier of artificial fibre to the developing textile industries of South-East Asia. Stocks swelled and many companies have reduced their labour complements.

Toray, which says its performance "fell short of our expectations," was helped by licensing revenue and plant exports. However, previous diversification proved of little benefit; plastics and chemicals divisions had an even worse half year than synthetic fibres which contributed 80 per cent. of sales.

Nippon Electric second half profits down 54%

BY PETER DUMINY — TOKYO, May 5.

NIPPON ELECTRIC missed its second half forecast by £5.7m., with the result that pre-tax profit for the year ended March 31 has come out 41 per cent. lower at £20m. Of this, the second six months added £7.4m., down 54 per cent. on the corresponding period of 1973-74, despite a 10.6 per cent. rise in sales to £291m.

The full year produced a 12 per cent. sales hike to £559m. Earnings were cut by 42 per cent. to £5.5m., of which £3.8m. accrued in the second half. Dividend is again reduced, this time by Y8.5, giving Y5.5 against Y6.5 for the year.

Thus, while the first half was bad, the second half was considerably worse. This is surprising in view of the fact that the company is relatively small in domestic appliances and other consumer durables. Accounting for under 9 per cent. of turnover, this has been the hardest hit sector of the electricals industry.

Sales are reclassified with the latest statement, making it difficult to establish areas of weakness. The redeeming feature is that the setback was held to 23 per cent. (to £36.4m.) at the trading level, while non-operating expenses, most of which are hopefully non-recurring, rose 24 per cent. to £29m. Nevertheless the trading margin was squeezed to 6.5 per cent. from 9.4 per cent.

For the current six months the forecast is a 9.2 per cent. increase in sales to £293m. Earnings are expected to stabilise at present level, meaning a decline of 19 per cent. to £3.8m.

Ballast-Nedam expects profit

BY MICHAEL VAN OS — AMSTERDAM, May 5.

BALLAST-NEDAM, the Dutch construction group, confirmed over the week-end that it had received an order worth Fls.1bn. from the Saudi Arabian Government. The order is for the construction of a series of housing complexes at eleven different sites.

Last week the Dutch company announced that it expects to make a profit again this year —barring unforeseen circumstances—after incurring a net loss of Fls.20.3m. in 1974. This compares with a profit of Fls.7.4m in 1973.

The company says in its annual report that the main causes of the loss were capacity underutilisation in Holland and some incidental setbacks. The latter, it was added at a Press conference here, included a loss of Fls.10m. on a Burmah Oil port construction job in the Bahamas. The Ballast share of the loss was only Fls.5m. but the rest had to be taken over as the other (unidentified) partner in the project had run into financial difficulties. It is as yet uncertain whether the money will be recouped at all. There was also a loss of a total of Fls.4m. on a port project in Jersey due to technical setbacks while another adverse factor has been the group's inability to rent part of a new office block in Amstelveen, costing Fls.1-1.5m., last year.

Work on the Saldanha Ore Harbour for Yskor in South Africa—a project which, due to technical problems, could have had "disastrous" consequences for Ballast—is developing quite well now. Company chairman Mr. P. H. Diderich had spent half of last year in South Africa to sort out the problems there.

The company — which has passed its dividend—is clearly more optimistic about prospects.

Company Results

Overseas boost for Coca-Cola

● Coca-Cola first quarter earnings rose to 79 cents per share (68) or net of $46.5m. (40.6m.) on sales of $650.6m. (494.6m.). The figures for 1974 have been restated for the Lifo change.

The company said unit sales overseas in the first quarter were considerably stronger and contributed substantially to the period's record profits. But soft drink unit sales in the U.S. were lower than last year's first quarter. However, a substantial drop in sugar prices, coupled with lower second quarter syrup prices, it now expected to stimulate consumer demand.

● Roussel Uclaf net first quarter 1975 turnover rose slightly to Frs.200m. (196m.). Consolidated net turnover increased to Frs.795m. (708m.).

● Compagnie des Machines Bull, the holding company which owns 34 per cent. of Honeywell Bull, reports net 1974 profit of Frs.19.6m. (18.3m.).

● Schlumberger reports that net income increased by 49 per cent. and revenue by 35 per cent. in the first quarter of 1975. Earnings per share were 76 cents, compared with 51 cents, adjusted for the three-for-two scrip issue in March 1975, while net income was $41.9m. compared with $28.1m. Revenue was $366.9m. against $272m.

● Messerschmitt-Boelkow-Blohm (MBB) said orders in hand totalled DM1.4bn. at end 1974, higher than the DM1.03bn. at end 1973, but still unsatisfactory as they provided work for only 10 months ahead. The result in 1974 was satisfactory, the company said, but gave no figures—1973 net profit was DM7.3m. Provisional sales rose to DM1.4bn. last year (1.2bn.). Research spending was DM130m. (128m.) of which D30m. (same) was from own resources.

● La Telemecanique Electrique reports first quarter 1975 net turnover of Frs.256m. (same).

● El Paso has declared a quarterly dividend of 27.5 cents per share.

Sw. Fr. settling down

BY MARY CAMPBELL

SPECIAL FACTORS which in recent months tended to exacerbate the Swiss franc's traditional strength on the foreign exchange markets have now passed, one of Switzerland's biggest banks suggests.

In an article in its magazine "Prospects," the Swiss Bank Corporation says that the "massive" switching of petrodollars from the U.S. last autumn has settled down to a more gradual movement; that Swiss companies' tendency to draw on reserves invested abroad, especially towards the end of last year, has now run its course; and that "it can be assumed that the wave of ill-advised forward exchange contracts reaching liquidation is now behind us."

The bank tentatively puts its weight behind moves to include the Swiss franc in the EEC mini-snake. But it questions the advantages of monetary blocs if they are not based on what it terms "genuine economic harmonisation." The fact that the EEC failed to do this "is no reason not to give the idea another try on a more pragmatic basis," it says.

The Swiss Bank Corporation clearly thinks that the Swiss franc's upvaluation in the early months of this year was overdone. Significantly however it goes to some lengths to point out that there are compensations for the problems this has created in specific sectors.

These include, it suggests, a dampening effect on the domestic inflation rate and strengthening of the long-term position of the economy in that it is the structurally weakest companies which are being worst hit. There is no evidence as yet, it points out, of declining export sales causing widespread unemployment.

The bank rejects two-tier exchange rates as a possible way of easing the problem, but suggests that moves to re-export inflows of capital, for example in the form of development aid, might help. Such a course might even result in a long-term export boost, it says.

SELECTED EURODOLLAR BOND P[RICES] MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	95	96
Ashland 8pc 1987	90	91
Austrawiss 8pc 1987	90½	91½
BFCE 9pc 1989	95½	96½
Borregaard 8½pc 1988	93½	94½
Carrier 7pc 1987	88½	89½
Conoco 8pc 1986	94	95
Consd. Foods 7¾pc 1991	92	94
Cutler Hammer 8pc 1987	90	91
EIB 9¼pc 1985	100	101
Esso 8pc 1986 Nov.	93¼	[illegible]
General Cable 5¾pc 1987	83½	84½
General Motors 8¼pc 1986	100	101
GTE 8½pc 1986	95	96
ICI 7½pc 1992	76	78
Nat. Grindlays 7½pc 1987	78	79
Pacific Light 8pc 1989	89½	90½
Prov. of Quebec 7½pc 1998	86	87
Quebec Hydro 8½pc 1999	93½	94½
Queensland 8½pc 1987	98	99
Scanraff 8½pc 1988	93	94
Shell 8pc 1988	93½	94½
Standard Oil (Inc.) 8½pc '88	95½	96½
Tenneco 7¾pc 1987	83½	84½
Transocean 8pc 1986	94	95
TRW 8½pc 1986	92½	93½
Utah 8pc 1987	88½	89½
Volvo 8½pc 1985	98	99
NOTES		
Air France 9¼pc 1979	100½	101½
Aust. Ind Dev 10½pc 1981	103	104
Barclays 7¾pc 1978	97	98
Cie Nle du Rhone 10pc '82	102	103
Du Pont 7¾pc 1978	99	100
Esso 7¾pc 1978	99½	100½
General Motors	100½	101½
Marubeni 9¼pc 1982	100	101
Nippon Fudosan 10½pc 1981	102½	103½
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7¾pc 1979	96	97
Tokyo Curacao	102½	103½

Source: White Weld Securities.

CONVERTIBLES	
American Express 4¼pc '87	[illegible]
Ashland 5pc 1988	[illegible]
Beatrice Foods 4¼pc 1992	[illegible]
Beatrice Foods 4½pc 1992	[illegible]
Borden 5pc 1992	[illegible]
Broadway Hale 4½pc 1987	[illegible]
Canon Camera 7½pc 1989	[illegible]
Carnation 4pc 1987	[illegible]
Chevron 5pc 1988	[illegible]
Dart 4¾pc 1987	[illegible]
Eastman Kodak 4½pc 1988	[illegible]
Economic Labs. 4½pc 1987	[illegible]
Eldal 7½pc 1989	[illegible]
Ford 6pc 1986	[illegible]
Ford 5pc 1988	[illegible]
Fuji 6½pc 1985	[illegible]
General Electric 4¼pc 1987	[illegible]
Gillette 4¾pc 1987	[illegible]
Gould 5pc 1987	[illegible]
Halliburton 4¼pc 1987	[illegible]
Harris 5pc 1992	[illegible]
Hitachi 6¾pc 1984	[illegible]
Honeywell 6pc 1986	[illegible]
ITT 4½pc 1987	[illegible]
Komatsu 6½pc 1986	[illegible]
J. Ray McDermott 4¾pc '87	[illegible]
Mitsui 6½pc 1989	[illegible]
J. P. Morgan 4½pc 1987	[illegible]
Motorola 4½pc 1983	[illegible]
Owens Illinois 4½pc 1987	[illegible]
J. C. Penney 4½pc 1987	[illegible]
Pioneer 6½pc 1989	[illegible]
Rand Selection 6½pc 1988	[illegible]
Rank 4½pc 1993	[illegible]
Revlon 4¾pc 1987	[illegible]
Sperry Rand 4¼pc 1987	[illegible]
Squibb 4½pc 1987	[illegible]
Toshiba 6½pc 1985	[illegible]
Union Carbide 4¾pc 1982	[illegible]
Warner Lambert 4½pc 1987	[illegible]
Warner Lambert 4½pc 1988	[illegible]
Xerox 5pc 1988	[illegible]

Source: Kidder, Peabody Se[curities]

Outlook bleak at Viscosu[isse]

By John Wicks — ZURICH

Dresdner pursues ... rights ...

By Nicholas Colchester — BONN

Holiday In[ns] ... European ...

By John Wicks — ZURICH

FINANCIAL TIMES REPORT
Tuesday May 6 1975

Insulation

The energy crisis has pushed all forms of heat and power saving to the forefront of national attention. For the people of these islands this injects a new element in their way of life. For the makers and installers of insulation materials it offers a busy prospect.

U.K. lags behind

NOT MANY industries can say the Government is actively promoting their interests. But that is the happy situation the insulation sector enjoys at the moment.

The "Save It" campaign and efforts by the Department of Energy to encourage a reduction in fuel consumption are helping the development of what is a very diverse industry, supplying everything from simple draught excluders to complex insulation systems for office blocks.

The energy crisis of late 1973 has made insulation a boom sector but has in no way reduced the competition between the different materials and forms of preventing heat loss. Indeed the very size of the potential market is prompting new research and increasingly sophisticated products.

Until the last 18 months insulation was an often neglected area, particularly in industry. The emphasis tended to be upon speed and cheapness of erection of buildings with too little attention being given to the running costs of heating systems. But the whole issue of heat loss has been transformed not only by higher oil costs but also by the decision of the Chancellor of the Exchequer to encourage the nationalised fuel industries to put their pricing policies on to a more economic footing.

In case the point might have been lost upon some managements, Mr. Eric Varley, the Energy Secretary, has urged all Boards of Directors to appoint someone to take charge of fuel conservation within the business, and he has also held out the threat of legislation to compel companies to divulge in their annual reports what steps have been taken to this end.

A loan scheme to help firms which might otherwise be restrained from investing in energy saving processes by cash flow problems has been introduced by Mr. Varley, and the Energy Department reports that the response to the offer has been very good. Some £3m. has been made available for the scheme and loans are obtainable at favourable rates of interest.

Incentives

The Chancellor's decision last November to extend tax incentives for new investment by raising the initial allowance for spending on the insulation of industrial building from 40 to 100 per cent. has also aroused interest.

ICI reports that the response to its advertising campaigns pointing out the investment benefits of insulating factory buildings has been "impressive." Indeed ICI has said that up to half of the more than £1.2bn. a year spent on industrial and commercial space heating in Britain could be saved by efficient insulation.

The recent National Economic Development Office report on energy conservation also spotlighted the need for higher levels of insulation. Some 70 per cent. of the net energy input to the 19m. homes in the U.K. is used for space heating—equivalent to nearly 40m. tonnes of oil each year or about 20 per cent. of the total primary energy used in the U.K.

NEDO points out that the number of homes is increasing and that present trends towards higher heating standards will create correspondingly greater energy demands. Moreover, the population structure was changing with an increasing proportion of older people who would require higher temperatures.

The scale of the problem of heat loss can be appreciated from figures provided by the Department of Environment for a typical semi-detached house. A quarter of the heat goes through the roof—more in a bungalow—some 35 per cent. through the walls, 10 per cent. through the windows and 15 per cent. in draughts, while another 15 per cent. is lost into the ground.

It is statistics such as these which prompt the Government to put its efforts into campaigns such as "Save It". The Department of Environment has recently introduced new regulations which will have the effect of roughly doubling standards of thermal insulation for newcomers. It has been questioned whether the regulations go far or bite quickly enough, but the Government in its desire to keep housing costs down must inevitably move gradually.

The NEDO report points out that for new houses the extra cost of higher insulation can be small compared with the total cost of the house, and could lead to energy savings that can be fully justified on the basis of their economic return.

Concrete

Using 1973 prices, NEDO gives the extra cost of providing 75mm (3 inch) roof insulation in a terraced three bedroomed house as between £12 and £15 more than for usual 25mm. For the inner leaf of cavity walls, aerated concrete block would in many cases be as cheap as brick or clinker blocks.

In appropriate situations the air cavity between the leaves of outer walls could be filled with insulating material, while the cost of double glazing on a new three-bedroomed house was likely to be between £125 and £200 (again at 1973 prices). Weather stripping to reduce draughts might also make a significant contribution to energy savings at small cost.

NEDO maintains that insulation to such standards could create a saving in energy of between 25 and 30 per cent. "In practice this theoretical value is unlikely to be achieved uniformly and an average figure of energy saving nearer to 10 per cent. is to be expected. "The reason for this is that many houses are inadequately heated at present and improved insulation was likely to lead to maintenance of the temperature at a higher level with a consequent reduction in fuel savings.

However, the report does add that where a home was already adequately heated improved insulation might lead to savings near to the theoretical maximum. In such a case improved roof and wall insulation (where appropriate) and weather stripping were likely to give a good economic return on the capital involved.

"Double glazing is not normally expected to yield an economic return," the report says, "but it leads to some fuel saving and by reducing draughts it may increase the area of a room that is comfortably warm. Well-lined curtains also give a significant improvement that may be almost comparable with double glazing when they are drawn."

The range and sophistication of double glazing and double window systems on the market has increased. The Building Research Establishment says that given air-space widths of not less than about 12mm, the heat insulation of single glazed windows can be improved appreciably' "in general terms, an air space between two layers of glass halves the thermal transmittance."

The increase in surface temperature of the glass facing the room may improve comfort, especially for people sitting or working near the windows. Moreover, the space between panes acts as a noise buffer on the principle the greater the gap, the quieter the result.

The Insulation Glazing Association, which claims more than 150 members, has instituted an advisory service to deal with customers' queries. "There are quite a number of well-known, experienced firms from which to choose. There are also a few who make extravagant claims and offer cut price jobs with hidden extras," the Association says and offers to put customers in touch with reputable firms.

The sector of the insulation industry which has attracted most publicity in recent months has been cavity wall filling for which two main product types are used: urea-formaldehyde foam and water-proofed mineral wool.

Borden (U.K.), one of the three principal chemical suppliers of resin and hardeners used in the foam product, says that the cavity fill industry achieved "sensational growth" in 1974 to a turnover of between £4m. and £6m. Such levels are equivalent to a growth rate of around 400 to 500 per cent., the company maintains.

"At the turn of the year business was running at unprecedented levels and all seemed set fair for 1975 and on into the 1980s. Unfortunately, despite the truly valuable contribution that this form of insulation offers to the individual, to the economy and to the ecology, the enormous amount of adverse publicity generated against UF foam from poorly informed sources has resulted in a severe recession in what was a vibrant industry."

Borden points to the fact that a number of local authorities had refused planning consent on cavity wall insulation as in contravention of building regulations as the main factor contributing to the downturn in the market.

However, it is hoped that a circular just sent to local authorities by the Department of Environment will help to remove uncertainties and get the market moving again.

While the Department recognises that the insertion of insulating material in a cavity wall is a structural alteration and as such subject to building regulations, it suggests this should be permitted in the great majority of cases. The circular says the cavity fill method can be "a sound and simple way of achieving improvements in thermal insulation."

The principal criticism of cavity fill is that it may allow penetration of damp, and the Department offers guidance on the circumstances in which regulations might be relaxed.

The Building Research Establishment says that cavity insulation can reduce the heating costs of a typical dwelling by up to 30 per cent. and at the same time reduce the risk of condensation. On the question of damp, it reports that the risk of rain penetration can be considered acceptably low for filled cavities in facing brickwork, provided it is not subjected to substantial amounts of driving rain.

The Department of Environment circular suggests that the award of an Agrément certificate can be expected to serve as a useful guide on a number of points as to whether building regulations should be relaxed.

The Agrément Board, set up by the Government and sponsored by the Department of Environment, advises consumers to deal with concerns issued with one of its certificates. In a guide for consumers which is available from its Hemel Hempstead headquarters, the Board maintains that "many of the reports on cavity wall insulation have been unnecessarily alarmist and contained a great deal of inaccurate information."

As part of its technical assessment of building products, the Board tests cavity fill materials both in the laboratory and on site so that the properties and conditions of use can be established.

Difficult

Statistics for the cavity fill market are difficult to obtain, but it is estimated by the industry that between 80,000 and 100,000 properties were treated in 1974. This number is expected to double in the current year and would compare with a total of around 250,000 dwellings insulated in this way over the past decade.

But important as such wall insulation may prove, not only for new houses but for existing homes, not all dwellings have the traditional cavity walls. About half of the present housing stock is more than 40 years old and may require different methods.

Solid walls have to be battened and lined internally with insulating boards. Flat concrete roofs can be insulated externally but this can lead to water-proofing problems, the NEDO report says. Because of the difficulties involved the cost of dealing with older houses will tend to be that much dearer.

Undoubtedly the potential of the overall market for insulation products provides an exciting prospect for many companies either active or considering the field. Whether or not the Government introduces further measures in the form of grants or other incentives to hasten the process, insulation is a sector which can only grow as the nation turns more of its attention to energy conservation.

Arthur Smith

Pipe and ductwork totalling 7,500m. in length formed part of the thermal insulation contract carried out by Dick's Eagle Insulations at the John Player Nottingham factory.

The Government campaign

"ENERGY SENSE is common sense—save it." So runs a typical slogan in the midst of the current energy conservation campaign. It represents a reaction to the energy crisis and the sudden realisation that mankind is using his energy resources too quickly and paying a great deal for the privilege. It also reflects an anxiety that the British people, despite the current energy problems, may be tempted to apathy by the imminent arrival of North Sea oil and fail to appreciate the point of the message because of a false sense of security.

This particular slogan, much used on television and in the Press, is a Government slogan —part of a national campaign based on Government policy. But the huge companies that make their money from the use of energy by industry and householders have felt obliged to take a similar stance. The oil companies, for instance, having tried to sell their products as hard as they can for years, suddenly find themselves telling people not to use the products quite so much. The fear is that in these energy sensitive times people will find the hard sell offensive, and change their loyalty to another, "more responsible," company.

All this seems to illustrate a great awareness of the energy problem and a real determination on the part of Government and industry to preach the gospel of conservation. If we look at the specific example of insulation we find that their is more to this than just preaching. The regulations have been changed, and the Department of the Environment has roughly doubled the standards of thermal insulation.

A doubling of standards overnight does, on the face of it, indicate a real determination that takes the efforts beyond those of a simple publicity campaign. Closer examination of the new regulations, and a comparison with what is being done in the rest of Western Europe, however, puts the effort into proper perspective.

Guidelines

First of all, Building Regulations are only guidelines, and local authorities do have latitude, although in practice they tend to stick by the regulations, or even exceed them. There are, however, some interesting examples of local authorities going against "accepted" insulation practice and Department of the Environment recommendations.

The typical house that statisticians base their figures on has 35 per cent. of its lost heat going out through the walls. Where the walls in question are of the cavity type the advice given, and recommended in DoE literature, suggests filling the cavity with one of the insulant types available. Yet there are local authorities who will not allow this to be done in their areas. They say the cavity is there for a purpose—to prevent dampness reaching the inside wall.

It is certainly true that one of the side effects of the current situation, particularly in the case of cavity wall insulation, has been to encourage what the industry calls "cowboys" to move into the market and make a quick fortune without worrying about the quality of the job. If the wrong material fills a cavity, if the resin is stale, or if the method of filling leaves gaps and allows cracks to appear, the householder will be in trouble. Is there not a case, then, for more strict control?

On the question of comparison between British official policy and that of other western European countries, the fact is that U.K. insulation standards have long been recognised as among the worst in Europe. Not only are there many countries in Europe with much higher standards than Britain—and this is after allowing for the new regulations—but the standards of some other countries are more flexible in terms of architecture and prevailing climate, and real incentives are offered for people to conserve through insulation.

Sir John Rodgers, speaking in a debate on insulation in the House of Commons in November, quoted estimates that put the energy wasted in heating alone in the U.K. at a cost of £2,000m. a year. It had been calculated, he said, that the 10m. uninsulated homes in Britain were wasting between 19m. and 20m. tonnes of coal or its equivalent in other fuels every year. Most of the 10m. houses were built before 1966.

That last point draws attention to an aspect of the new regulations that tends to be forgotten. The regulations began to apply at the end of January this year and only apply to houses receiving planning permission after that date or to house improvement schemes that are the subject of grants. This leaves those 10m. houses unaffected, and beyond the extensive publicity campaign and the slogans, those who advocate strongly for better insulation in Britain say that nothing at all is done in the way of incentives.

Comparable

How does this picture compare with Europe? There are places with comparable standards, but the climates of countries like Greece, Italy, Turkey and Spain are hardly comparable with our own. The new U.K. standard can be met by the equivalent of 50mm. of insulation in the roof, to take one example. This is better than the old 25mm, but Austria, France, Germany, the Netherlands and Switzerland have standards that require up to 66mm in this area. Belgium aims at 150mm to 200mm while Sweden and Norway are in the 250mm to 400mm bracket.

U.K. regulations also make no allowance for varying climatic conditions throughout the country. A report commissioned by Eurisol-U.K.—an association of manufacturers of mineral insulating fibres—that has, not surprisingly, been actively campaigning in this field for years, dealt with regional variations. This showed that differences between the broad regions of south, central and north were significant.

It is in France that climatic differences are most allowed for in regulations, and all in all the French regulations are probably the most flexible in Europe. They take the premise that different levels of insulation are required according to prevailing outside temperatures, architectural differences, etc. It has been said that in Britain the climatic differences are enough to require a house to have one inch of roof insulation in the south, while to achieve the same result for the same house in Scotland would require six inches. Holland and Germany have a system of varying standards according to region, too.

On the question of incentives, the French offer a subsidy of 50p per square metre for roof insulation. In Sweden subsidies of up to 35 per cent. of the cost of insulating industrial premises are given. The scheme applies to firms of less than 200 employees and has a limit per firm of £530. Similarly, in Sweden home owners can also claim subsidies. A national fund of £26.5m. exists solely for the purpose of insulation improvement, with domestic premises taking £15m. of that. So successful has been the scheme, and the response so good, that an additional £10m. is being talked about.

Holland introduced subsidies in 1974 that are granted to all householders with properties built since 1946. Up to £175 a house can be granted, the only proviso being that central heating must be installed.

Operating

In the U.K., companies can claim some tax relief on insulating their factories but it is still regarded as a capital expense, whereas fuel is an operating cost. So there is little incentive there. The British householder can claim an improvement grant for a heating system but not for the insulation that will make that system an efficient energy consumer.

Britain's insulation standards remain the worst in Europe when climate is taken into account, and the tremendous boost that the insulation industry has seen in recent months has much more to do with publicity and campaigning than with official policy or Government regulation and financial incentive. As the slogan quoted earlier implies, we must rely on common sense.

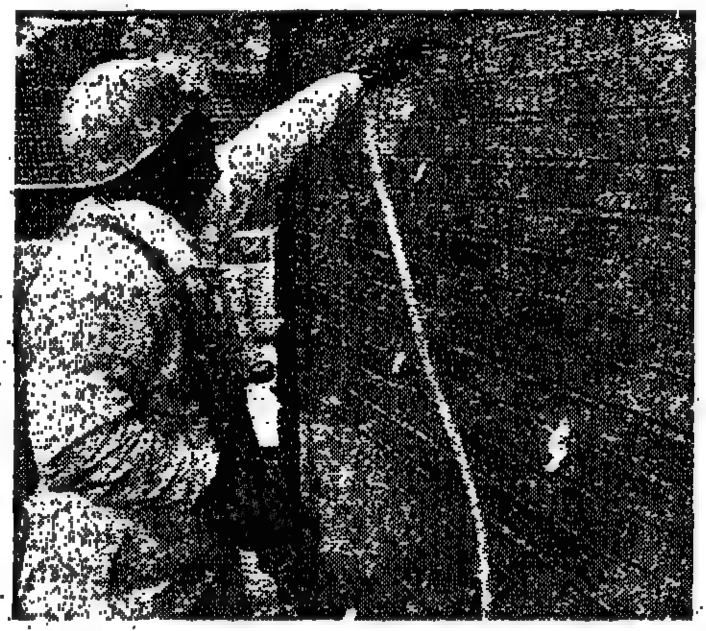
Hugh Colver

Keeping the heat in

WESTERN NATIONS are the greatest wasters of heat, the British possibly more so than the rest. While fuel costs were low and supplies plentiful it was apparently acceptable for as much as 70 or 80 per cent. of this heat to dissipate itself through doors, walls, windows, roofs and even floors. Now, however, as inflation spirals upwards and fuel supplies down, the pattern changes. A year or so back conservation was taken to refer to ecological matters. To-day it has become a household word for saving both heat and money.

In many ways we have been our own worst enemy. For too long a comfortable acquaintance with the much vaunted warmth generated by the Gulf Stream (now drifting steadily away from our shores) has tended to blind us to the fact that we are far nearer the latitude of Scandinavia than that of Southern France or Spain. Yet we still sprout notoriously cold pitch roofs all over the country. We have not been much wiser with our walls either, and while a vast expanse of window may let in much needed light, is it a light we can really afford? In at least one developer's opinion it is not, and he considers it high time too that such unnecessary items as bathroom windows were done away with completely in flats, if not in houses. He also feels that we should be building houses rather as they do in, say, Poland, where the heating goes up through a flue which continues on around walls clad with thermal tiling.

New and higher standards of thermal insulation introduced by the Building Regulations (secondary amendment) came into force on January 31. A radical new approach is made to insulation standards of walls, external and internal. New standards set down relate to walls separating living spaces from areas such as garages and common access passages, and perimeter walling as a whole including the windows, aimed at the prevention of "cold bridges."



An operator filling a wall cavity with foam insulation made with urea formaldehyde resin supplied by BIP Chemicals Division.

Saving

An association of manufacturers of mineral insulating fibres (Eurisol U.K.) recently carried out tests on a house with a known heat loss per hour at a given temperature. They completely insulated it with their products: wall cavities, attic, windows (double glazing) and draughtproofing and discovered that the total saving on heat loss was 49.5 per cent. They also calculated that at current fuel prices the total cost of this insulation would be recovered in about four years.

Comprehensive insulation, therefore, is obviously worth doing both from a comfort and cost point of view. But where does one start? Most of us would find it impossible to have it all done in one fell swoop, so perhaps the first step apart from the walls (dealt with elsewhere in this Report), should be the windows and doors. Cut out instant draughts and you keep in much of the warmth. Acording to a Rentokil estimate, the average front door lets in as much as 2,000 cu. ft. of cold air every hour, and that at a wind speed of 10 mph.

The solution for doors is relatively simple and inexpensive. Plastic or phosphor bronze strips around the perimeter plus a threshold bar which can be done on a do-it-yourself basis is soon carried out. If the doors are of the old variety, large mortice keyhole type, then a keyhole flap is indicated, as well as a letter-box cover behind the front door. One can also seal windows with the same type of strip, or use the cheaper foam-backed adhesive variety (not cheaper in the long run though, as it doesn't last very long). Calculated saving on heat loss should be up to about 10 per cent.

Windows should ideally be doubled glazed but a great deal of care should be taken in selecting the right type. First priority should be to decide the main objective—heat loss or sound-proofing. It is not always possible to have a perfect combination of both. The narrower the space between the two panes of glass, the better the insulation against heat loss. The wider the space, the greater the insulation against external noise.

The type that one buys to fit into an existing window will dampen down outside noise and undoubtedly stop the wind coming in, but may only marginally prevent heat going out. The wrong type will also act as a "cold-air trap," creating condensation. The best types, which are completely sealed and replace existing windows, are naturally also the most expensive, and one must set this initial cost against the overall saving, not only in heat loss but fuel bills. Calculation of this initial outlay against current fuel prices may come down heavily in favour of the cheaper type of glazing if the heat loss is only to be marginally less.

The less expensive types may well be perfectly adequate in a fairly modern home where existing windows are well-fitting. But in older houses, particularly those with ill-fitting sash windows, total replacement may be the only answer.

Most advertisements state that double glazing will save up to 50 per cent. of heat loss. But this is not 50 per cent. of total heat loss, only 50 per cent. of whatever heat goes out through that particular window, which may be as low as 10 per cent. of the whole. One should certainly bear this in mind when making calculations. There are, of course, as many price ranges as there are types of glazing, and it would perhaps be as well to write before deciding to the Insulation Glazing Association (6 Mount Row, London, W.1) for a list of their members, who cover every type of insulation from do-it-yourself to the custom-made.

Roof insulation is another major "must." In the house treated by Eurisol UK, the saving through the roof was 16 per cent.—against the total of 49.5 per cent. this amounts to an overall saving of 7.92 per cent.

Materials

There are, of course, many materials and methods for insulating roofs, starting with good old brown paper (not, alas, very effective). One should for preference choose either mineral wool or glass fibre, laid in as great a depth as you can afford but certanly not less than three inches. This would save 10 per cent. and possibly up to 16 per cent. heat loss: the cost is not really prohibitive (around £50-£60) and this could easily be recouped within about four years.

Floors can also absorb something like 10 per cent. of heating costs, which can be prevented by a good underlay carpet. This would not, however, be adequate insulation on concrete flooring or very old, badly fitting board flooring. The ideal solution for the board flooring would be to replace it —expensive, and inconvenient if you are living in the house at the same time. Hardboard covering has been suggested but I am not sure that this is a very satisfactory long-term solution, particularly on a concrete floor where condensation may also be involved. Tony Wilkins (editor of Do-It-Yourself) suggests a reflective foil-faced building paper, placed under the underlay and carpet, foil side up. Seemingly effective, easy to do and, leaving aside the cost of underlay and carpet, fairly inexpensive.

But whatever form of insulation you have in mind, now is undoubtedly the best time to get the work carried out. Many firms will be quoting special summer prices and, with the market at its slackest, there should be no long delays in delivery either.

Of course, if one really wants to save on fuel in the long term there is yet another solution. Since the average human body gives out approximately 1½ kw of heat, a family of two adults and one or two children living in a solar heated, thermally insulated housing unit should be able to heat up such a unit quite well as they move from room to room without laying out a single penny on conventional heating. But there is a snag here too. It takes at least one, and possibly two hours for this heat to generate, which is rather a long time to be hanging around shivering on a cold winter's morning.

Terry Mahon

APPOINTMENTS

Merchant Banking

MANAGING DIRECTOR

for the Board of a City based merchant bank – a name of high repute in the field of international banking.

• PERSONAL standing in the City, an established record of successful enterprise and broadly based experience in merchant banking operations coupled with the potential to succeed the Chief Executive are the requirements.

• TERMS are for discussion from £20,000. Age – probably mid- to late forties.

Write in complete confidence
to J. E. B. Drake as adviser to the bank.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Merchant Banker

SENIOR EXECUTIVE DIRECTOR

for the Board of a small City based Merchant Bank about to expand its services in the private and corporate areas.
The applicant must have personal standing in the City and a successful record of broadly based banking operations. He must also have excellent current City contacts, and be available in the near future.

Experience and standing are essential—age relatively immaterial. Salary, etc., by arrangement.
Please write or phone in complete confidence to:—

PETER BICKFORD-SMITH
1, THROGMORTON AVENUE,
LONDON E.C.2 (01-588 8111)
who will be handling replies on behalf of the Bank.

CORPORATE FINANCE

Laurence, Prust & Company have a vacancy for an executive in their Corporate Finance Department. The successful candidate is likely to be aged 22/28 and may be a Chartered Accountant, Chartered Secretary or a numerate Lawyer. Salary will be based on ability and experience. Applications which should include a curriculum vitae will be treated in strict confidence and shall be addressed to the Managing Partner, Laurence, Prust & Company, Basildon House, 7-11 Moorgate, London EC2R 6AH.

Director Financiero

Importante empresa americana con extensos intereses en Madrid precisa un Director Financiero, responsable directamente ante la casa matriz.

Los candidatos deben ser de nacionalidad española y poseer amplia experiencia en contabilidad y preparación de informes de alto nivel y dominio del idioma inglés.

La persona elegida debe estar dispuesta a viajar a USA para un cursillo de preparación de tres meses antes de establecerse en el cargo. Retribución muy competitiva a convenir.

Interesados escribir en inglés adjuntando historial completo a:
Frank A Harding
McLintock Main Lafrentz & Co
Chartered Accountants
70 Finsbury Pavement
London EC2A 18X

MML

Company Secretary

Our client, a building company based in West Surrey wishes to appoint a Company Secretary who would also be responsible for the accounts, administration and financial control of the business.

The Company is mainly engaged in private building and has a turnover in excess of £2,000,000 per annum. Its building and marketing management is strong and this has enabled it to operate successfully during the recent difficult trading conditions which have affected building. The objective is to complete and strengthen the management team with this appointment so that the company may expand from the sound base that has been established. It is intended that the man who is appointed will, if he is successful, be offered a position on the Board.

Applicants should be suitably qualified and remuneration and conditions will be appropriate to the responsibilities involved and the qualifications of the successful applicant.

Write, in confidence, giving age, career to date and present salary, stating any organisation to whom your letter may not be sent:-
B. M. Doyle, Selection Consultant (Ref. 628).

Whites
Whites Recruitment Limited
72 Fleet Street, London EC4Y 1JS
Offices/Associates: Amsterdam, Bristol, Brussels, Dusseldorf, Leeds, Manchester and Wolverhampton.

F/X Dealer

Merchant Bank c £6,000+

Our Client is an International Merchant Bank of impeccable standing which has acquired a first-class reputation for professionalism and efficiency, particularly in its dealing activities.

To meet increasing demand, an intelligent and positive young technician in his early 20's is required to augment the Bank's active dealing room.

This represents an outstanding opportunity for an ambitious and well-presented young dealer to develop his expertise in a stimulating and rewarding environment.

To learn more in strict confidence telephone Norman Philpot on: 01-405 3499.

Banking Division
Lloyd Executive Selection Ltd
Bowater House, 50-51 High Holborn, London WC1V 6ER

SLATER, WALKER INVESTMENTS LIMITED

ASSISTANT CONTRACTS CLERK

should be conversant with all aspects of contracts including foreign dealings. Excellent salary plus 35p L.V.'s per day. Hours 9.30 a.m. to 5.30 p.m. Please telephone Mr. N. MacLeod on 236 4236.

FINANCIAL DIRECTOR DESIGNATE

- RESPONSIBILITY is to the Managing Director for providing the business with overall financial direction and control.
- THE initial task is the further development and implementation of financial plans and policies including effective management controls and reporting.
- THE requirement is for a qualified accountant with the industrial experience and personal qualities necessary to contribute to the achievement of business objectives at top level in an engineering environment.
- PREFERRED age 25-30. Salary negotiable around £5,000 plus Company Car.

Write in confidence to A. W. BARNES,
GOODMAN PRICE LTD.,
Barclays Bank Chambers, 1 King Edwards Road, London, E9 7SF.

HIRE PURCHASE LEASING COMPANY

requires Assistant to U.K. manager. Requirements are that he should have current experience in this industry, preferably administrative; but some sales experience would be advantageous. Previous banking experience and possibly some knowledge of accounting / book-keeping would be of additional interest. Applicants should be aged under 30. Please write Box T.4094, Financial Times, 10, Cannon Street, EC4P 4BY.

BANKER WITH LEADERSHIP QUALITIES £2,700 NEGOTIABLE

Major American Bank seek a career banker aged mid/late 20's with the ability to supervise in their Foreign Exchange Reconciliations dept.

A thorough appreciation of reconciliations, and previous supervisory experience are sought.

Responsibilities will include ensuring that collections and payments are made on correct date.

For further details, call Jon Sitcheno, 01 584 6767. Crisp, Sears and Associates

STOCKBROKING

Alert intelligent young man required to join small aggressive team of specialists in leading firm of stockbrokers. Experience in dealing or in servicing institutional clients would be an advantage. Salary negotiable. Write in the first instance to Box A.5060, Financial Times, 10 Cannon Street, EC4P 4BY with a separate letter specifying if there are any brokers that your letter should not be forwarded to.

DOCUMENTATION CLERKS with Shipping or Commodities experience £3,000-£4,000 p.a. plus. Also trainees. Charterhouse Appointments 01-836 2377.

APPOINTMENTS ALSO APPEAR TO-DAY ON PAGE 14

CLUBS

THE GASLIGHT

(A Gentleman's Club)
of ST. JAMES'S, S.W.1.
Cabaret spots every half-hour
Restaurant facilities.
Cover charge: £2.00.
Open 9 p.m. till early hours—Mon. to Sat.
No membership required for out-of-town and overseas visitors
4, Duke of York St.,
(Jermyn Street),
Piccadilly, S.W.1.
Tel: 930 1648 after 6 p.m.

CELEBRITY
For celebration, superb food. Top-class entertainment. 493 7636-0855.

GARGOYLE, 69, Dean Street, London, W1. STRIPTEASE FLOORSHOW RAGTIME STRIP. Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6455.

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. Spectacular Floor Shows plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth and Friends.

All these securities having been sold, this announcement appears as a matter of record only.

New Issue

$60,000,000

Société Nationale des Chemins de fer Français

SNCF

9½% Guaranteed Notes Due April 15, 1980

Unconditionally guaranteed as to payment of principal and interest by

The Republic of France

Kuhn, Loeb & Co.		EuroPartners Securities Corporation
The First Boston Corporation	Goldman, Sachs & Co.	Lazard Frères &
Merrill Lynch, Pierce, Fenner & Smith Incorporated	Salomon Brothers	Banque Nationale de P
Blyth Eastman Dillon & Co. Incorporated	Drexel Burnham & Co. Incorporated	Halsey, Stuart & Co. Affiliate of Bache & Co. Incorporated
Hornblower & Weeks-Hemphill, Noyes Incorporated	E. F. Hutton & Company Inc.	Lehman Brot Incorporated
Loeb, Rhoades & Co.	Paine, Webber, Jackson & Curtis Incorporated	Reynolds Securities
SoGen-Swiss International Corporation		Warburg Paribas Becker
Wertheim & Co., Inc.	White, Weld & Co. Incorporated	Dean Witter & Incorporated
Bear, Stearns & Co.	L. F. Rothschild & Co.	Shearson Hayden Stone
Shields Model Roland Securities Incorporated		Weeden & Incorporated
ABD Securities Corporation	Basle Securities Corporation	Daiwa Securities America
Robert Fleming Incorporated	Kredietbank S. A. Luxembourgeoise	Kuwait Investment Company S. A
New Court Securities Corporation		The Nikko Securities International, Inc.
Suez American Corporation	UBS-DB Corporation	Lepercq, de Neuflize & Incorporated

May 6, 1975

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. LONDON FESTIVAL BALLET. Gala Anniversary Season to May 14. Evgs. 7.30. Mat. Sat. 2.30. Tonight & tomor.: Parade, Giselle. Thur. to Sat.: Rudolf Nureyev's Sleeping Beauty. Seats avail. except tomor.

COVENT GARDEN. 240 1911. THE ROYAL BALLET. Tonight 7.30 Les Rendezvous, Tmr. Grosse Fuge, Pineapple Poll. Wed. 7.30 Coppelia. Sat. 7.30 Arpege, Shukumei, Pineapple Poll. Seats available. THE ROYAL OPERA. Thur. and Mon. 7 Il Trovatore. Fri. and Tue. next 8 Elektra. Seats avail. ex. Mon.

GLYNDEBOURNE FESTIVAL OPERA. May 22—August 6. Personal & Tel. bkg. now open. Box Offices: Glyndebourne, Lewes, Sussex. Ringer (0273 812411) & Ibbs & Tillett, 124 Wigmore St., London W.1 (01-935 1010).

SADLER'S WELLS. 837 1672. Tonight, May 7, 9 & 10 at 7.30. Royal Academy of Music in Massenet's Cinderella. Now bkg. New Opera Co.—King Roger. Gothenburg Ballet. Tokyo Ballet. Progs. avail. Box Office open Mon. to Sat., 10 a.m. to 8 p.m.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs., Sat. 3.00. "JEAN SIMMONS returns in triumph." E.N. HERMIONE GINGOLD "Fabulous woman." Dy. Mirror. JOSS ACKLAND "Beautiful performance" Observer. A LITTLE NIGHT MUSIC. "MUSIC THAT RAVISHES THE SENSES. A SHOW KISSED WITH GENIUS." Gdn. "IT A REAL DAZZLER AND WORTH QUEUEING TO SEE." Sun. Exp.

ALBERY. 836 3878. Mon. to Fri. at 8.00. Sat. 5.15 and 8.30. Mats. Thurs. at 3.0. DOROTHY TUTIN, PETER EGAN, DOROTHY REYNOLDS, CLIVE MORTON. J. M. Barrie's Comedy WHAT EVERY WOMAN KNOWS. "Excellent. Outside subsidised theatres there is nothing to touch it in London." F.T. "Superb. A triumph." D. Mail. Last weeks. Must end here May 31.

AMBASSADORS. 836 1171. Mon.-Thur. 8.15. Fri. and Sats. 6.30 and 8.45. Theatre and Dinner £5. London's Hit Comedy THERE GOES THE BRIDE. Top price ticket plus 3-course set dinner at a delightful nearby restaurant, with wine, coffee, service and VAT ALL INCLUDED. £5 per head. Prices without dinner £2.50, £2.00 and £1.00. ALSO Late Night Revue at 11.15 p.m. HINGE AND BRACKET. All seats £1.00.

ALDWYCH. 836 6404. Evgs. 7.30. Mat. Wed. and Sat. 2.30. LAST THREE WEEKS of RSC in Shakespeare's LOVE'S LABOUR'S LOST (ends May 24). Recorded booking info. 836 5332.

APOLLO. 437 2663. Evenings 8.0. Mat. Thurs. 3.00. Sats. 5.00 and 8.30. MARGARET LEIGHTON, ALEC GUINNESS in A FAMILY AND A FORTUNE.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership available 15p. Evenings Tues. and Sun. at 8.0. King's Head Theatre Production KENNEDY'S CHILDREN. "THE PLAY IS FANTASTIC." Observer.

CAMBRIDGE. 836 6056. "MUSICAL HIT OF THE SEASON" E.N. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO. "TERRIFIC ENTERTAINMENT" S. Exp. Evgs. 8.00. Thurs. Sat. 5.30 & 8.30.

COMEDY. 930 2578. Reduced price Preview May 12 at 5. (Opens Tue. May 13 at 7.) Subs. Evgs. 8. Sats. at 5.30 and 8.30. Mats. Thurs. 3 p.m. HAYLEY MILLS, PETER DONAT, LEIGH LAWSON in Samuel Taylor's new comedy A TOUCH OF SPRING. Directed by Allan Davis.

CRITERION. 930 3216. Mon.-Thurs. 8.00. Fri. and Sats. 5.45 and 8.45. MARTY BRILL AS LENNY (Based on the life and words of Lenny Bruce).

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY. A New Musical. "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS. 836 8243. Evenings 8.00. Fri. and Sat. 6.15 and 9.00. ALIVE ON STAGE OH! CALCUTTA! OVER 1,500 PERFORMANCES. "BREATHTAKINGLY BEAUTIFUL." S. Tel. "THE NUDITY IS STUNNING." D. Tel.

DUKE OF YORK'S. 836 5122. Mon.-Fri. 8. Sats. 5 and 8. Weds. 2.30. Anna NEAGLE, Tony BRITTON, Alan GIFFORD in William Douglas Home's THE DAME OF SARK. "SUPERB." Harold Hobson.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 and 8.30. Th. 2.45 (red prices). SLEUTH. "THE BEST THRILLER EVER" N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evgs. 8.0 SHARP. Sat. 5.0 & 8.30. Red. price Wed. 3.0. MURDERER by ANTHONY SHAFFER. "VASTLY ENTERTAINING BLEND OF COMEDY AND SUSPENSE. THIS ONE WOULD BE A CRIME TO MISS." Mirror.

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR. Evening Standard Drama Award. TOM COURTENAY in THE NORMAN CONQUESTS by ALAN AYCKBOURN. TABLE MANNERS Tnt. & Thurs. 8.15, Sat. 8.30; LIVING TOGETHER Tomor. 3.00, Fri., Mon. 8.15; R'ND & R'ND THE GARDEN Tomor. 8.15, Sat. 5.30.

GREENWICH. 858 7755. CHARADES. JAMES SAUNDERS SEASON evgs. 8.0, Sat. 2.30. A JOURNEY TO LONDON by John Vanburgh and James Saunders. Tickets 80p, £1.25, 1.75.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar/C. P. Snow's THE CASE IN QUESTION. "An excellent evening's entertainment . . . an enthralling story." —Harold Hobson, Sunday Times.

HER MAJESTY'S THEATRE. 930 6606. Evgs. 7.30. Mat. Wed., Sat. 2.30. DAVID HEMMINGS in JEEVES with MICHAEL ALDRIDGE. Book and Lyrics ALAN AYCKBOURN. Music ANDREW LLOYD WEBBER. "Full of gaiety, intelligent wit and joyous self-mockery." S. Times.

I.C.A., The Mall. 930 2868. Nightly at 7.30. Until May 10. Joint Stock in David Hare's FANSHEN.

KING'S ROAD THEATRE. 352 3488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award '73.

LYRIC. 437 3686. Evenings 8.00. Fri. 8.30. Thurs., Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO . . . AND BERT. Evening Standard Award—BEST MUSICAL OF THE YEAR. Plays and Players Award—BEST MUSICAL OF THE YEAR.

MAY FAIR. 629 3036 and 493 2031. Evenings 8.15. Sat. 5.0 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER. "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Rest. 248 2835. Evgs. 8.00. Mat. Thur. Sat. 3.00. Bernard Shaw's THE DOCTOR'S DILEMMA. "IMPECCABLE PRODUCTION." D. Exp. "SPLENDID ENTERTAINMENT." D. Mir. "GORGEOUS AND FUNNY." Guardian.

NEW LONDON. 405 0072. June 3-21. The Original TROCKADERO GLOXINIA BALLET COMPANY. Now Booking.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Tonight 7.30. Harold Pinter's NO MAN'S LAND. Tomor. 7.30. Thurs. 2.15 and 7.30: HEARTBREAK HOUSE. Fri. 7.30. Sat. 2.15 and 7.30: JOHN GABRIEL BORKMAN. Monday next 7.30: HAPPY DAYS. Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon.-Thur. 8.0. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed., Sat. 2.45. TOMMY STEELE in London's Most Beautiful Musical HANS ANDERSEN. "SUMPTUOUS SPECTACLE. SPLENDID SONGS. IT'S WONDERFUL." D. Exp.

PHOENIX THEATRE. 836 8611. Evgs. 8.0. Sat. 5.30 and 8.30. HARRY WORTH. "A comedian of boundless charm" —Daily Telegraph. AVRIL ANGERS in "NORMAN IS THAT YOU?" "A steady line of laughs." F. Times.

PICCADILLY. 437 4506. Prev. tonight 8. 1st Night tomor. 7. Subs. evenings 8.00. Sats. 5.30 & 8.30. JIMMY JEWELL, ALFRED MARKS in NEIL SIMON'S New Comedy THE SUNSHINE BOYS.

PRINCE OF WALES. 930 8681. Evenings 8.00. Mat. Wed., Sat. 3.00. JAMES STEWART in HARVEY. "Heartwarming Triumph." E. News. LIMITED SEASON ONLY.

QUEEN'S. 734 1166. Evenings 7.30 sharp. Mat. Thurs. 2.30. Sat. 4.45 and 8.15. JOAN PLOWRIGHT, FRANK FINLAY. SATURDAY SUNDAY MONDAY. Directed by FRANCO ZEFFIRELLI. Last weeks—Must end May 31.

RAYMOND REVUEBAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75.

REGENT. 580 1744. Mon. to Thurs. Evgs. 8.30. Fri., Sat. at 7.00 and 9.15. 9th MONTH OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROYAL COURT. 730 1745. JOE ORTON FESTIVAL. Evenings at 8.00. Sats. 5 and 8.30. BERYL REID, MALCOLM McDOWELL, RONALD FRASER. ENTERTAINING MR. SLOANE. "Measureless joy." Daily Mail. "Hilarious." Evening Standard.

SAVOY. 01-836 8888. Evenings 8.0. Sat. 5.0 and 8.15. "ALASTAIR SIM at his best." D. Tel. RON MOODY, DANDY NICHOLS. THE CLANDESTINE MARRIAGE. Directed by IAN McKELLEN. All Wed. Mats. Cancelled.

SHAFTESBURY. 836 6596. Mon.-Fri. 8.0. (Mat. Friday 5.00. Reduced 75p-£1.50.) Sat. 5.30 and 8.30. WEST SIDE STORY. "Bursting to life with undiminished theatrical excitement." S. Tel. "A definite winner. I strongly recommend it." FT. "Miracle." Guardian. "Brilliant." S. Tel.

SHAW. 388 1394. Evgs. 7.30. Sat. 5.0 and 8.0. Hywel Bennett, Ruth Dunning, Caroline Mortimer in NIGHT MUST FALL by Emlyn Williams. Dir. by Nigel Patrick. Last week—Must End May 10.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 23rd YEAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN, RICHARD CALDICOT, ANDREW SACHS. NO SEX PLEASE, WE'RE BRITISH. London's Longest Laughter Hit. "Hysterically funny." Sunday Times.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 Revue A TOUCH OF VENUS. And at 11 p.m. DICKIE HENDERSON.

THEATRE WORKSHOP. Stratford. E.15. 534 0310. Evgs. Mon.-Sat. at 8. BLOODY MARY. Swashbuckling female piracy.

VAUDEVILLE. 836 9988. Evenings 8.0. Mat. Tues. 3.00. Sat. 5.30 and 8.40. MILLICENT MARTIN, AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR. Best Comedy of Year—E. St. Award '73.

VICTORIA PALACE. 834 1317. Evgs. 8.00. Wed., Sat. 6.00 and 8.45. MAX BYGRAVES in "SWINGALONGAMAX". New Song and Laughter spectacular with Rogers and Starr, Bobby Crush, Denise Keene and Happy and Full Co.

WESTMINSTER. 834 0283. Evgs. 8.00. Fri. and Sat. 5.30 and 8.30. NIGEL PATRICK, DULCIE GRAY, PETER SALLIS, PETER VAUGHAN, BRIAN WILDE in Hit Thriller THE PAY OFF. "Immensely enjoyable, undiluted pleasure. Witty. Exciting." Sunday Times.

WHITEHALL. 930 6692-7765. Reduced Price Previews until Saturday. Evgs. 8.30. Wed. and Sat. 6.15 and 8.45. PAUL RAYMOND presents A Fantastic, Hilarious EROTIC ENTERTAINMENT SNATCH 69. First Night Monday Next.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents FIONA RICHMOND in LET'S GET LAID. Twice Nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 8. Sat. 5 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. Young, Financial Times. (Limited Season) THE TEMPEST.

YOUNG VIC (by Old Vic). 928 6363. May 5-24 MUMMENSCHANZ.

CINEMAS

ABC 1 & 2 SHAFTESBURY AV. 836 8861. Sep. Perfs. ALL SEATS BKBLE. ABC 1: Mel Brooks' YOUNG FRANKENSTEIN (AA). Wk. & Sun. 2.30, 5.30, 8.30. ABC 2: MURDER ON THE ORIENT EXPRESS (A). Wk. & Sun. 2.30, 5.30, 8.30.

CASINO. 437 6877. MONTY PYTHON AND THE HOLY GRAIL (A). Progs. at 1.45, 3.20, 5.40 and 8.05.

CURZON, W.1. 499 3737. Bunuel's PHANTOM OF LIBERTE (X). Progs. 2.25 (not Sun.), 4.25, 6.30, 8.40. Late show Sat. at 11 p.m. Phone bookings.

LEICESTER SQUARE THEATRE. 930 5252. Soul Heart Feel TOMMY (AA). The film event of the year. Sep. perfs. 1.20, 4.10, 8.00. Sun. 4.30, 8.00. Late show Fri. and Sat. 11.15. All seats bkble on 930 5252.

ODEON, HAYMARKET (930 ... Warren Beatty, Julie Chr... Hawn in SHAMPOO (X). Se... 1.15, 4.45, 8.15. All seats b...

ODEON, MARBLE ARCH (7... Streisand & Caan FUNNY ... Sep. perfs. Wk. 2.45, 6.00 ... bkble.

ODEON, LEICESTER SQUARE ... David Niven, Toshiro Mif... Kruger, introducing Aado Pa... (A). Cont. Progs. Wk. 2.00, ... 8.15. Royal Circle seats bkbl...

ODEON, ST. MARTINS LANE ... 1811). DAUGHTERS DAUG... (subtitled). Sep. perfs. Wk. ... 8.30.

PARIS PULLMAN CINEMA. 373 5898. A BIGGER S... Daily 2.15, 4.30, 9.00. ... 4.15, 5.30, 8.45.

PRINCE CHARLES. Leic. Sq. The Sensation of Londo... EMMANUELLE (X... Sep. Perfs. Dly. (inc. Sun.) ... 9.00. Late Show 11.45 ... Seats Bkble. Lic'd Bar.

SCENE 2. Leic. Sq. (Wardou... 4470. Cont. Perfs. Dly. ... Late Show 12.05 (inc. Sun... FRANKENSTEIN (AA). Pr... 2.45, 5.05, 7.25, 9.45, 12.05.

SCENE 3. Leic. Sq. (Wardou... 4470. THE TOWERING INF... Sep. Perfs. Dly. (inc. Sun.) ... 8.40, 11.45. Seats Bkble.—A...

SCENE 4. Leic. Sq. (Wardou... 4470. 2nd YEAR. The Film ... Talking About. THE EXO... Directed by William Friedkin. ... Dly. 12.30, 3.00, 6.15, 9. ... Box Office Open Daily 10-8. ... Seats Bkble.—All Perfs.

TIME CENTA (1). 935 9772. ... SPLASH (X). Dly. 1.00, 3.00, ... and 9.00. Late show every ni...

WARNER WEST END. Leic. S... 439 0791. 1. Tony Curtis in LEPKE (X). C... Wk. 1.30, 3.45, 6.00, 8.20. ... bkble. LAST TWO DAYS. 2. Steve McQueen, Paul New... TOWERING INFERNO (A). ... 1.15, 4.25, 8.05. £1.60 seats ... 3. Jack Lemmon, Anne Ban... PRISONER OF 2ND AVENUE ... Perfs. 2.30, 5.30, 8.30. All s...

ART GALLERIES

ANTHROPOS GALLERY. Sou... Ethnic Arts, 67 Monmouth Str... St. Martin's Lane WC2. 01-... Europe's finest collection ... Guinea-Papuan and Eskimo A... exhibition Mon.-Wed. 10-8. ... 10-12 midnight. Sun. 1-7.

GALERIE GEORGE, 96-98 Geo... W.1. M.-F. 10-6. Large selectio... 19th century paintings and w... by important English and Europ... at keen trade prices.

JOHN WHIBLEY GALLERY, 22 ... W.1. 734 7840. NORAH GLOV... PAINTINGS.

MAJORIE PARR GALLERY, 2... Road, Chelsea S.W.3. DENIS ... Sculpture. Until May 24th ... day Saturday. Closed Monday...

MALL GALLERIES, THE MAL... The National Society Annu... Paintings, drawings and sculptu... Sat. 10-1 until May 8. Adm. ...

OMELL GALLERIES, 40 Albemar... Piccadilly, W.1. 20th Century ... European Paintings and large ... of Maritime Pictures. (Realisti... (Gallery Booklets £1 ...) ... R.N.L.I. and R.N.I.B.).

RADLETT GALLERY, 141 Wat... Radlett, Herts. Recent paint... Edward Middleditch, R.A., and ... by Whistler's Pupil Henry Wheel... 28th May. (Tuesday-Saturday ...

REDFERN GALLERY. WILLIAM ... stallation. Work. 1-29 May. ... Street, London, W.1.

RICHARD GREEN GALLERY, ... Street W.1. 01-493 7997. ... Exhibition of Old Master Paintin... 9.30-6.00. Sats. 10.00-12.30.

ROYAL ACADEMY SUMMER ... TION. Contemporary painting... tures, etc. Until 27 July. Wkdy... Suns. 2-6. Adm. 60p (Monday... And the PRIVATE ROOMS AN... LECTED TREASURES. (Until ... Wkdys. 10-6 (Closed Tuesdays). S... Adm. 50p. Students and pension... price.

SABIN GALLERIES LTD., 4 Cork S... Spring Exhibition of Early English... colours and Drawings. April ... 17th. Weekdays 9.30-5.30 (Thurs... Saturdays 10.00-12.30.

THE PARKER GALLERY, 2 Alb... Street, Piccadilly, W.1. Exhibition ... marine, military, sporting and ... graphic prints and paintings an... models.

MONEY MARKET

Interest rates rise

Bank of England Minimum Lending Rate 10%
(since May 2, 1975)

Short-term interest rates rose in the London money market yesterday, in the wake of the increase in the Bank of England Minimum Lending Rate on Friday from 9¾ per cent. to 10 per cent. (the first rise since November, 1973). The upward in rates took place in spite of a relatively free supply of day-to-day credit, which meant that the Bank of England made no intervention for the fourth business day in succession, after having given exceptionally large help on six out of the previous seven days. It seemed possible, on the basis of identified factors, that the banks carried on a surplus, with the market facing a net take-up of Treasury bills and with revenue transfers to the Exchequer exceeding Government disbursements, but with banks carrying on a surplus from Friday, and the note circulation falling.

Discount houses paid 8-9¼ per cent. over the day for secured call loans, while in the inter-bank market, overnight loans were around 9-9¼ per cent.

The one-month sterling certificate yield ended at about 9⅞-9¾ per cent., against the previous 9¾-9⅞ per cent., the three-month at some 10⅛-10¼ per cent., against 10⅛-9¾ per cent., and the one-year at 11⅛-11¼ per cent., against 11⅛-11¼ per cent.

Rates in the table below are nominal in some cases.

May 5 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ϕ	Bank bills ϕ	Fine trade bills ϕ
Overnight	—	9-9¼	8¾-9½	—	—	9¼-10¼	8-9¼	—	—	—
2 days notice.	—	—	9-9¼	—	—	—	—	—	—	—
7 days or 7 days notice.	—	9-9½	9¼-9½	—	10¼-10½	—	9¾-9	—	—	—
One month	9⅞-9¾	9¾-10	9½-9¾	10½-10	10½-10¾	—	—	9⅞	9⅞	11-12
Two months	10⅛-10	9⅞-10⅛	—	10⅛-9⅞	10⅛-10⅜	—	—	9⅞	10	11-12
Three months	10⅛-10⅛	10¼-10⅜	9⅞-10¼	10¾-9⅞	10⅞-11⅛	—	—	9⅞	10	11-12
Six months	10⅞-10⅝	10¾-10⅞	10¾-10⅝	11-10	10¾-11¼	—	—	—	10⅛	11-12
Nine months	11⅛-11¼	11-11⅛	—	12-11¼	11¼-12	—	—	—	—	—
One year	11¼-11⅛	11⅛-12	12¼-12⅛	12¼-11⅛	11¾-12⅛	—	—	—	—	—
Two years	12⅛-12	12-12⅛	12⅞-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-13⅞ per cent.; four years 13¾-14 per cent.; five years 13¾-14 per cent. ϕ Bank bill rate in table is buying rate for prime paper. Buying rates for four-month bank bills 10⅛ per cent.; and four-month trade bills 11-12 per cent. Approximate selling rate for one-month Treasury bills 9⅞ per cent.; two-month 9⅞ per cent.; three months 9⅞ per cent. Approximate selling rate for one-month bank bills 9⅞ per cent.; for two-month 9⅞-9⅞ per cent.; and three-month 9⅞-9⅞ per cent.: one-month trade bills 10-10½ per cent.; two-month 10-10½ per cent.; and three-month 10-10½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates: for smaller sums at seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4678 per cent.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 29	May 12	July 24	Aug. 2
May 13	May 27	Aug. 7	Aug. 19
May 28	Jun. 9	Aug. 20	Sept. 2

The Option market was quiet yesterday. "Calls" were taken out in British Oxygen, UDT, Courtaulds, Burmah Oil, British Anzani, Imperial Tobacco, National Carbonising, Cavenham, Rockware, Town and City, and J. B. Eastwood. "Puts" were dealt in Catel Trust and Fisons, while "doubles" were arranged in UDT, Law Land, Brooke Bond, Thorn Electrical "A" and Lubok Investments.

Industrials		Grand Met.	10	Tesco	14	Mines	
A. P. Cement	20	G.U.S. 'A'	40	Spillers	7	Anglo Amer.	45
Bass Charr.	5	Guardian	20	Tesco	6	Broken Hill Pr.	60
Barclays Bank	25	G.K.N.	25	Thorn 'A'	20	Kass	3
Beecham	24	Hawker Sidd.	25	Tube Invest	30	Charter Cons.	40
Boots Drug	24	House of Fraser	10	Unilever	40	Chart'r'h'l Fin.	7
Bowaters	17	Imperial	5	Utd. Drapery	12	Cons. Gold	40
B.A.T.	36	I.C.I.	42	Vickers	15	De Beers Def.	4
British Leyland	1½	"Imps"	7	Woolworths	5	F. S. Geduld	200
British Oxygen	5	I.C.L.	7			Gen. Mining	6
Burton 'A'	5	Inveresk	10	Property		Hampton Areas	10
Cadburys	5	Legal & General	12	Cap. Counties	7	Hampton Pr.	4
Courtaulds	12	Lloyds Bank	20	E.P.	9	Kloof	14
Debenhams	11	"Lots"	8	Int. Europe	7	Lorbo	3
Distillers	10	"Mums"	9	Land Securities	22	Lonrho	30
Dunlop	6	Marks & Spencer	22	Peachey	7	Metals Explor.	
Eagle Star	15	Midland Bank	32	Town & City	7	Poseidon	35
E.M.I.	14	Nat. West. Bank	40	Town & Comm.	7	Pres. Steyn	245
Gen. Accident	16	P & O Dfd.	16			Rio T. Zinc	2
Gen. Electric	14	Plessey	6	Oils		Welkom	35
Glaxo	40	R.H.M.	7	Brit. Petroleum	45	West Areas	36
		Ranks Org. 'A'	46	Burmah Oil	11	Western M'ng	15
		Reed Int.	25	Shell	25	Zambia Copper	
				Ultramar	17		

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	24	233	−7	256	118
GKN "New"	Nil/pd.	16	53*	−8	79*	48*
Unilever	25p	15	352	−9	402	170
Amal. Inv. & Prop.	25p	13	67	−6	72½	28
Marks & Spencer	25p	13	218xd	−10	258	95
RTZ	25p	12	184	−10	199	80
Shell Transport	25p	12	281	−13	300	118
Trafalgar House	20p	12	105	−7	122	28
Barclays Bank	£1	11	272	−10	295	112
EMI	50p	11	147xd	−7½	158	62
GEC	25p	11	108	−5	131	51
Albright & Wilson	25p	10	77	−6	90½	36
Bowater	£1	10	136xd	−2½	157	50
BATS	25p	10	296	−2	337	164
Brit. Isles & Gen.	25p	10	327	−8	335	112

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

FRAUD TRIAL RESUMED

The Old Bailey trial of Kenneth James Howarth, aged 47, business consultant, of Cadogan Gardens, Chelsea, on fraud charges arising out of Californian gold mining ventures, was resumed yesterday after a 2½-week break because he was ill.

The trial, expected to last another fortnight, began on March 4.

CAMPAIGN CUTS ROAD DEATHS

A 15 per cent. drop in fatal and non-fatal road accidents in Greater Glasgow during the first quarter of this year is attributed to a £30,000 safety campaign in November.

Statistics analysed by computer pinpointed accident black spots and safety efforts were concentrated in those areas.

MEDITERRANEAN CARGO SERVICE

A new general cargo shipping service has started between Sunderland and the Eastern Mediterranean. The service, operated by the Medmar Line, will leave every three weeks for Greece, Cyprus and Lebanon.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	51	2
Corpns., Dom. and Foreign Bonds	1	25	46
Industrials	136	822	768
Financial and Prop.	56	309	253
Oils	4	13	15
Plantations	3	5	36
Mines	36	42	64
Recent Issues	4	28	32
Totals	276	1,314	1,186

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	11½%
Bank of Cyprus	‡11 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
■ C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'ces	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 10½%.
§ Demand deposit 7½%.

CORAL INDEX
Close 312-318

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	10 %

† Address shown under Insurance and Property Bond table.

INSURANCE, PROPERTY, BONDS

Save & Prosper Group
4, Gt. St. Helen's, London, E.C.3.

Bal'nced Inv. Bd.	91.2	96.6	+0.3	—
Equity Bonds	89.3	94.0	+0.7	—
Property Fund	104.1	109.6		—
Deposit Fund	103.2	108.3		—
Equity Pension Fd.	100.7	106.0	−3.5	—
Prp. Pens. Fund	117.5	123.8	+0.2	—
Mint Bonds	19.3	20.4		—
Comp'y Pens Fund	123.0	129.5		—

*Prices on May 1. **Apr. 26. ***May 5. ‡ Weekly valuation. † Price monthly.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Monday, May 5, 1975.

	Groups & Sub-sections	Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Friday May 2 Index No.	Thurs. May 1 Index No.	Wed. April 30 Index No.	Tues. April 29 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	115.83	−4.5	20.60	6.95	7.10	7.10	120.93	120.80	120.02	122.90	111.65	129.01 (23/4)	61.78 (6/1)	205.57 (4/5/72)	60.71 (13/12/74)
2	Building Materials (30)	102.38	−6.0	22.99	7.63	6.64	6.64	108.85	108.11	108.49	110.68	114.15	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	217.33	−8.9	19.12	4.56	7.71	7.70	250.97	251.19	228.80	255.74	190.44	251.61 (23/4)	74.74 (6/1)	389.33 (12/5/72)	71.48 (12/12/74)
4	Electricals (16)	198.31	−6.1	18.78	5.93	7.70	7.70	208.87	211.67	209.21	218.24	205.33	229.55 (23/4)	98.49 (2/1)	380.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	139.58	−3.4	25.15	7.88	5.41	5.41	144.56	148.60	149.05	155.55	119.02	159.79 (22/4)	64.39 (2/1)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	103.08	−3.0	21.09	7.71	6.86	6.86	105.27	106.54	104.59	106.10	90.55	110.07 (23/4)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	43.40	−3.2	14.15	10.75	12.47	12.37	44.89	44.85	45.18	45.95	36.58	46.19 (22/4)	20.11 (2/1)	136.70 (4/7/65)	19.96 (13/12/74)
8	Miscellaneous (28)	105.39	−3.7	19.81	7.34	5.88	5.86	109.40	107.56	107.53	108.78	100.75	114.48 (23/4)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	81.72	−4.1	22.02	7.56	6.61	6.60	85.25	85.40	85.86	87.59	100.15	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	89.12	−5.2	25.80	5.71	5.09	5.09	94.02	94.25	94.11	96.75	121.76	105.62 (10/3)	44.28 (6/1)	257.41 (19/6/72)	42.86 (13/12/74)
11	Household Goods (15)	153.72	−3.1	32.48	7.95	4.44	4.44	158.06	157.88	157.80	158.62	153.74	146.93 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	46.55	−3.0	15.13	9.85	9.92	9.85	48.01	48.15	48.09	49.78	49.65	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	129.55	−3.5	16.76	6.80	8.99	8.98	134.31	135.94	133.09	137.11	110.71	141.66 (22/4)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	140.60	−3.1	14.86	7.03	9.98	9.98	145.07	147.72	145.86	147.09	146.90	156.35 (22/4)	75.58 (6/1)	261.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	151.93	−3.8	14.18	6.17	10.44	10.44	157.50	159.20	156.00	158.86	165.89	167.59 (22/4)	80.42 (6/1)	257.40 (15/7/72)	76.88 (13/12/74)
16	Entertainment, Catering (16)	135.56	−6.4	16.39	8.50	8.79	8.79	144.86	144.84	141.15	144.05	141.86	149.02 (25/4)	58.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	137.75	−2.9	15.01	5.86	9.21	9.18	141.81	144.14	143.44	148.27	114.59	148.92 (22/4)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	129.55	−4.1	11.85	4.77	12.56	12.56	135.04	137.92	135.98	140.40	107.85	145.54 (23/4)	57.15 (2/1)	235.06 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	132.63	−2.6	20.85	7.20	7.18	7.18	135.96	137.80	136.56	139.66	135.04	146.73 (23/4)	56.08 (6/1)	360.29 (12/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	95.51	−3.0	22.86	6.90	6.34	6.34	98.47	97.42	96.80	96.92	78.78	102.98 (23/4)	45.46 (6/1)	135.59 (28/4/72)	43.46 (6/1/75)
21	Stores (30)	120.49	−4.3	11.56	5.50	12.79	12.79	125.86	126.65	124.16	127.88	96.75	129.59 (22/4)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	124.96	−2.8	28.56	8.05	4.07	4.06	128.34	130.56	128.72	131.09	129.40	142.59 (17/4)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	172.66	−2.3	20.10	7.72	7.37	7.37	176.70	179.66	175.13	179.71	186.08	199.16 (10/3)	109.92 (6/1)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	40.66	−1.4	26.51	7.51	5.16	5.16	41.21	41.81	41.55	41.41	46.96	43.61 (22/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	154.11	−2.3	22.39	5.76	6.38	6.35	157.69	159.53	156.87	159.74	140.34	164.47 (23/4)	75.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	89.40	−3.1	15.86	5.86	8.41	8.41	92.26	92.49	95.15	96.49	118.88	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	346.79	−2.7	25.68	6.80	4.66	4.52	356.47	357.80	356.07	365.75	391.85	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	136.17	−4.2	18.07	7.09	7.67	7.66	142.06	141.69	138.67	142.94	134.09	148.14 (23/4)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	135.67	−3.6	16.40	6.50	7.70	7.69	140.31	141.20	139.22	142.75	121.60	147.37 (23/4)	69.19 (6/1)	230.17 (1/5/72)	69.01 (13/12/74)
30	OILS (4)	239.38	−3.5	30.75	6.44	3.49	3.95	247.52	247.55	245.33	249.25	247.10	251.18 (22/4)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	135.26	−3.6	20.11	6.49	6.60	6.47	140.29	141.11	138.95	142.67	132.26	146.95 (23/4)	63.49 (6/1)	227.95 (15/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	134.75	−4.2	—	5.30	—	—	140.69	142.51	139.77	145.13	126.65	147.98 (23/4)	56.60 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	146.54	−3.9	25.50	5.56	5.84	5.84	152.54	156.08	151.98	156.59	148.22	163.68 (23/4)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	153.96	−5.6	—	8.43	—	—	149.99	140.97	145.01	151.50	143.87	169.27 (7/3)	84.13 (6/1)	293.13 (2/6/72)	81.40 (10/12/74)
35	Hire Purchase (5)	107.75	−7.9	25.12	8.34	5.78	5.27	117.01	119.90	119.58	124.93	211.86	134.39 (10/3)	48.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	111.96	−5.0	—	5.99	—	—	117.80	117.84	116.40	120.19	100.72	127.97 (23/4)	44.88 (2/1)	194.46 (16/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (8)	105.96	−4.3	—	6.16	—	—	110.71	111.81	108.70	114.39	88.82	114.39 (29/4)	44.47 (2/1)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	180.25	−2.6	10.97	4.70	13.45	13.45	185.13	184.59	184.49	188.33	170.44	191.72 (23/4)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	86.31	−3.0	—	7.22	—	—	88.96	89.66	89.49	90.95	115.51	94.97 (7/3)	31.21 (7/1)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (31)	216.97	−4.5	4.16	2.74	34.45	35.21	227.20	230.60	228.29	257.13	175.95	241.22 (22/4)	86.19 (7/1)	557.40 (9/11/73)	56.01 (30/4/65)
41	Miscellaneous (5)	68.55	−3.1	16.56	8.47	8.47	8.57	70.75	71.27	71.97	72.13	100.42	75.78 (23/4)	34.78 (10/1)	303.13 (18/6/72)	33.29 (11/12/74)
42	Investment Trusts (50)	163.91	−1.5	3.07	4.21	32.61	32.61	166.45	164.46	164.50	166.54	133.83	170.07 (23/4)	75.45 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	135.82	−3.6	—	6.10	—	—	140.87	141.74	139.59	143.54	130.26	147.46 (23/4)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (10)	486.29	−1.1	10.49	6.60	11.22	10.79	493.46	491.73	490.30	484.98	396.84	493.48 (2/5)	281.66 (2/1)	555.37 (23/7/73)	84.66 (26/8/65)
45	Teas (10)	88.01	−0.6	21.95	9.09	5.74	5.35	88.53	88.19	88.19	88.25	104.71	88.53 (25/4)	76.76 (10/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	461.86	+1.6	42.52	16.35	2.35	2.35	454.49	443.96	449.20	443.23	430.31	450.26 (28/3)	374.38 (22/1)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	126.96	−1.3	9.44	4.15	11.49	11.49	128.66	125.56	123.65	122.85	118.59	128.66 (2/5)	80.58 (22/1)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (8)	99.66	−1.1	10.23	8.32	12.59	10.81	100.76	100.40	101.75	99.87	99.84	101.75 (30/4)	58.91 (6/1)	125.45 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	222.43	−0.3	14.96	3.91	8.47	8.43	225.02	225.02	221.71	227.11	—	229.40 (23/4)	97.37 (6/1)	229.40 (23/4/75)	97.37 (6/1/75)

	FIXED INTEREST	Monday, May 5 Index No.	Monday, May 5 Yield %	Friday May 2	Thursday May 1	Wed. April 30	Tuesday April 29	Monday April 28	Friday April 25	Thurs. April 24	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.56	15.32	15.32	15.55	15.42	15.42	15.16	15.04	14.28	—	—	—	—
2	20-yr. Govt. Stocks (8)	45.65	§14.15	46.64	46.65	45.58	46.01	46.03	46.79	47.55	50.65	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.75	§16.07	46.43	46.61	46.62	46.59	47.02	47.19	47.74	47.29	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	43.13	16.44	43.62	42.66	43.99	43.36	43.40	43.88	44.00	45.55	46.57 (20/3)	35.55 (3/1)	114.41 (15/9/63)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	58.37	16.13	59.25	59.51	58.63	59.52	60.51	61.07	61.80	55.30	66.98 (20.3)	48.55 (3/1)	114.98 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Dates	Base Value	Section or Group	Base Dates	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneou. Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

§Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 20p. Foreign 22p.

REGIONAL MARKETS

BELFAST — Finlay Pk. 16; Hughes B. 75; Nireside Inv. 20

IRISH EXCHANGE

NORTHERN EXCHANGE

SCOTTISH EXCHANGE

MIDLANDS & WESTERN

NEW "HIGHS" AND "LOWS" FOR 1975

NEW HIGHS (81)

NEW LOWS (2)

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up another 7 after profit taking

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 5.

AFTER OVERCOMING early moderate profit-taking, Wall Street again pushed higher to-day, resulting from optimism about prospects for economic recovery in the months ahead.

The Dow Jones Industrial Average finished another 7.12 up at 855.60, after shedding 4.38 to 844.10, which the NYSE All Common Index rose 42 cents to $47.60. Gains led losses by 857-to-623, but the trading volume decreased 2.84m. shares to 22.37m.

The feeling in Washington and in many business circles is that the worst of the economic recession has passed.

A private survey of Purchasing Agents concluded that "while most indicators are still negative, the collective pattern is typical of past periods at the close of a downturn."

Chief Presidential Economic Adviser, Alan Greenspan, said that despite the gain in unemployment reported late last week, he is convinced the recession is ending and the economy will recover solidly in the second half year.

Brokers also noted some encouragement that the U.S. Treasury financing plans announced late last week were lower than expected.

McDonnell Douglas rose $1¾ to $7¾—the Navy chose to develop a Navy air combat fighter based on a Northrop Corp. prototype. Northrop edged up $¼ to $30¾.

Coca Cola jumped $5½ to $90¾ on higher quarterly profits.

Heavily traded Xerox gained $4 to $82, while Commonwealth Oil Refining, also active put on $¾ to $12¾.

TRE climbed $1½ to $7½ on a $16m. contract from Bell Helicopter to provide rotor blades for Bell's Ranger helicopters.

Semiconductor shares declined following bearish Press comment on the outlook for the industry. Texas Instruments fell $3½ to $104¾, Motorola $3 to $54¾, and National Semiconductors $1½ to $30½.

Universal Oil Products dropped $4 to $13¾—Signal's tender offer to purchase Common stock at $21 a share was oversubscribed.

Motors were unchanged to fractionally higher, despite sharply lower late-April car sales.

An NYSE stock seat sold for $100,000, up $1,000 on the last sale. Current price $90,000-$115,000.

The American SE Market Value Index moved up 0.58 to 85.49, with advances outnumbering declines by 362 to 302.

Canada higher

Canadian Stock Markets also rallied from early losses and finished higher in moderate trading yesterday.

The Industrial Share Index rose 0.72 to 185.12, Base Metals 0.39 to 71.08, Western Oils 4.12 to 182.26, Utilities 0.41 to 134.06, Banks 1.19 to 250.59 and Papers 0.23 to 107.36. But Golds lost 2.68 to 376.53.

OTHER MARKETS

PARIS—French stocks were generally lower in moderate trading, following profit-taking despite the lowering of the day-to-day Money Market rate to 7⅞ per cent. from 8 per cent.

Banks, Holding Companies, Foods, Stores, Electricals and Oils were off, while Motors, Constructions,

Americans were strong among Foreign shares, Germans were weaker, while Dutch and Italians were resistant.

Oils were firm, notably Petrofina and Royal Dutch, but Shell were slightly off.

Gold Mines and Coppers were lower, significant losers being Free State, President Brand and Western Deep.

BRUSSELS — Mixed in fairly active trading.

Metals continued upwards, Vieille Montagne rose Frs.115 to 4,990 and Hoboken Frs.120 to 4,210. Steels were mixed. Clabecq declined Frs.100 to 4,470. In higher Electricals, Electrofina gained Frs.90 to 2,440.

UCB were up Frs.70 to 3,280 and Solvay rose Frs.40 to 3,670 in firm Chemicals.

Among generally higher Internationals, U.S. shares performed strongly. Boeing were up Frs.134 to 998, after hitting Frs.1,000, General Motors firmed Frs.60 to 1,675, ITT improved Frs.42 to 798, Westinghouse rose Frs.38 to 584, Union Carbide advanced Frs.135 to 2,425 and IBM were up Frs.160 to 7,790.

Among reduced South African minings, Vaal Reefs fell Frs.64 to 1,376 and President Steyn were off Frs.60 to 830.

AMSTERDAM—Closed yesterday (National Day).

SWITZERLAND—Markets rose over a broad front in very active trading, with growing buying interest from Swiss and Foreign investors prompting a strong advance in all sectors.

Major Banks gained ground, led by Kreditanstalt and Bankgesellschaft, while in very firm Financials, interest centred on Oerlikon-Buehrle. Insurances hardened in less active turnover, and Industrials also rose.

Electrowatt rose Frs.110 to 2,190, Brown Boveri Bearer Frs.55 to 1,345, Landis Gyr Frs.40 to 790, Jelmoli Frs.65 to 1,140 and Fischer Frs.70 to 640.

Dollar stocks firmed slightly in a fairly heavy turnover, led by Blue Chips and "Glamours." Dutch Internationals were very steady apart from easier Akzo, while Germans edged lower in light volume.

GERMANY—Mainly lower following the State Elections in Northrhine Westphalia, where the Government's Socialist-Liberal Coalition held its majority, and the Saarland, where it ended the Christian Democrat's overall majority.

Thyssen shed Dm.1.5 to 78 xd and BASF Dm.1.5 to 146, while MAN dipped Dm.2.5 to 163.5 to head losses in Machinery stocks.

Most Banks were lower, but BHF-Bank rose Dm.1.50. Motors were mixed, with Daimler off Dm.1.5 to 306 but VW put on Dm.1.70.

Stores also were mixed.

Public Bonds continued firm, and were quoted between Dm.0.50 higher and Dm.0.15 lower. The Authorities sold a nominal Dm.2m of stock to the market to meet demand. The new Rail Loan was just fully placed and quoted at its 98.5 per cent. official issue price. Mark Foreign Loans were well maintained.

MILAN—Mixed in very quiet trading.

Bonds were quietly resistant.

COPENHAGEN — Generally higher in active dealings.

OSLO—Insurances and Banks were slightly lower, Industrials were irregular, while Shippings were quiet.

VIENNA — Market continued slightly firmer, with Insurances higher in places. Banks were little changed.

HONG KONG—Prices showed net losses on the day, despite a slight rally in the afternoon. Trading was fairly active.

The market was led lower by weakness in Jardine Matheson, which fell $HK1.70 to 27.0, following publication of its offer terms for Gammons, up $HK1.20 at 19.30.

TOKYO — Closed yesterday — (Children's Day).

JOHANNESBURG—Gold shares closed steady at lower levels in quiet trading. Net losses in "marginal" and "speculatives" were in the region of 5 to 20 cents. "Heavyweights" were little tested.

Financial Minings were unchanged to easier in small volume. Platinums were firmer, with gains ranging between 5 and 10 cents. Coppers were also a shade harder.

Industrials were very steady.

AUSTRALIA—Slightly higher in quiet trading.

BHP added 2 cents at $A6.10. Other leading Industrials were mostly steady.

Leading Minings were slightly firmer. Kathleen Investments firmed 1 cent to $A1.16, MIM rose 3 cents to $A1.98 and Pancontinental put on 5 cents to $A2.93. Western Mining were up 2 cents to $A1.70.

Oils were slightly weaker.

Banks were generally higher, with Bank of New South Wales up 10 cents to $A6.10 and CBC improved 7 cents to $A1.82.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000's
May					
5	67.54	174.12	855.60	75.19	22,370
2	67.32	171.99	848.48	74.64	25,210
1	67.25	170.76	830.96	74.29	20,660
Apr.					
30	67.24	171.38	821.34	74.04	18,060
29	67.37	168.02	803.04	74.16	17,740
28	67.33	169.66	810.00	74.77	17,860
25	67.47	169.45	811.80	75.03	20,260
24	67.65	167.57	803.66	75.19	19,050
23	67.71	166.95	802.49	76.50	20,040
22	67.74	169.86	814.14	76.82	28,120
21	67.58	171.15	816.56	76.50	23,960
18	67.66	169.37	808.43	76.56	22,610
17	67.86	170.60	819.46	76.72	32,650
16	67.93	168.43	816.71	76.72	22,970
15	67.83	166.71	815.08	76.34	29,620
14	67.96	165.42	806.95	76.37	26,800
1975 High	69.32 (4/4)	174.12 (6/5)	855.60 (5/5)	81.86 (21/1)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 2	Apr. 25	May 4, 1974
4.55	4.60	4.30

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	May 5	May 2	May 1	Apr 30	Apr 29
47.60 (5/5)	37.66 (2/1)	47.60	47.18	46.58	46.18	45.41

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,866	857	623	386

	May 5	May 2	May 1	Apr 30	Apr 29
New Highs	184	204	155	84	65
New Lows	10	8	10	21	30

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	May 5	May 2	May 1	Apr 30	Apr 29
Index	85.49 (5/5)	62.20 (2/1)	85.49	84.91	84.16	84.24	85.66
Volume 000's			2,880	2,610	2,470	2,150	2,000

STANDARD AND POORS U.S. STOCK INDICES

		*Industrials	†Composite
May	5	101.87	90.08
"	2	100.86	89.22
"	1	99.34	88.10
April	30	95.42	87.30
"	29	96.41	85.64
"	28	97.10	86.23
"	25	97.57	86.62
1975 High		101.87 (5/5)	90.08 (5/5)
1975 Low		77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 15 Rails.

STOCK AND BOND YIELDS

	Apr. 30 1975	Apr. 23 1975	May 1 1974
Ind. Ord. yield pc	3.65	3.91	3.59
Ind. Ord. p/e ratio	9.89	9.74	11.72
Long-term Govt. Bds. per cent.	6.33	6.22	6.76

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Am. T. & T. Wts.	725,400	⅞	+3/32
Imperial America	232,700	9⅜	+ ⅜
Comm. Oil	231,100	12⅜	+ ¾
UOP	216,900	13⅜	−4
Am. Home Prods.	185,200	37⅜	+ ⅜
Beker Ind.	187,100	39⅜	+1⅜
Int. Tel. Tel.	182,700	21⅞	+1⅜
Xerox	166,500	82	+4
Norton Simon	150,600	16⅜	− ⅜
General Motors	148,300	44⅜	—

TORONTO

INDUSTRIAL INDEX

May 5	May 2	1975 High	1975 Low
185.12	184.40	188.69 (17/4)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 5	May 2	1975 High	1975 Low
193.94	192.63	194.23 (17/4)	159.95 (2/1)

COMBINED INDEX

May 5	May 2	1975 High	1975 Low
188.04	186.92	189.97 (17/4)	158.62 (2/1)

JOHANNESBURG

	May 5	May 2	1974-75 High	1974-75 Low
Industrials	202.4	201.3	216.2 (17/3)	158.0 (22/11)
Golds	292.8	293.9	379.1 (2/1)	285.2 (18/4)

(1958=100.) Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 1	April 24	April 17
On Dividends	7.43	7.29	7.48
On Earnings	15.17	13.81	14.10

SYDNEY ALL ORD. INDEX

May 5	May 2	High 1975	Low 1975
354.13	353.56	389.48 (4/1)	288.58 (8/1)

HONG KONG INDEX ●

May 5	May 2	High 1975	Low 1975
314.20	320.52	333.64 (28/4)	160.42 (8/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 2	May 1	High 1975	Low 1975
329.32	326.57	329.32 (2/5)	268.24 (10/1)

SINGAPORE INDEX §

May 5	May 2	High 1975	Low 1975
259.43	259.46	260.69 (11/3)	153.26 (8/1)

EUROPE

	May 5	Previous	1975 High	1975 Low
Belg'm (a)	111.73	110.68	111.73 (5/5)	89.01 (2/1)
Denm'k (b)	87.64	87.40	89.52 (18/4)	73.06 (13/1)
France (d)	70.6	71.0	72.0 (23/4)	61.70 (2/1)
Germ'y (e)	708.7	713.4	726.1 (16/4)	573.2 (2/1)
Holland (f)	(c)	107.4	107.8 (2/5)	85.8 (8/1)
Italy (g)	101.53	101.72	108.36 (21/2)	85.98 (8/1)
Spain (h)	—	108.07	110.96 (22/4)	91.25 (16/1)
Sweden (k)	365.85	364.22	374.93 (18/4)	310.59 (9/1)
Switz'rl'd (m)	290.4	282.9	290.4 (5/5)	20[illegible] (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953 (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Pound hits low

Sterling fell to a record low against major currencies in general in the foreign exchange market yesterday, on the basis of the Bank of England calculation of its trade-weighted fall against ten leading units since the Washington Currency Agreement of December, 1971, which calculation showed the pound at a depreciation of 23.3 per cent. at the close of business, against 23.1 per cent. on Friday, and stood at 23.5 per cent. at noon, and at 23.2 per cent. in early dealings. Business was modest. The pound rose, however, against the U.S. dollar, to end at $2.3410-$2.3420, against Friday's $2.3370-$2.3380. The pound opened in terms of the dollar at $2.3345-$2.3355, and after some fluctuations had reached a level around $2.3400 by lunch-time—trending upwards subsequently (to reach $2.3450-2.3460 during the afternoon, at a time when New York appeared as a seller of dollars). The dollar's trade-weighted fall against 14 currencies since the Washington Agreement narrowed to 6.72 per cent., from Friday's 6.79 per cent., while sterling's fall on a similar basis widened to 27.97 per cent., from 27.88 per cent.

Gold fell $1½ an ounce on balance in the foreign exchange market, to $163¾-164¼, in moderate business. The metal opened at $164-$165, and touched $163-$164 at the day's lowest.

The premium on the Krugerrand over its gold content, on the dealer's offered side, widened in places in London to 22¹/₁₆ per cent. in business, domestic from 22 per cent., and to 3½ per cent. in international, from 3⅛ per cent.

EXCHANGE CROSS-RATES

May 5	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.470-371	57.50-57.60	6.52-54	5.645-685	98.10-20	93.05-15
N. York	42.18-20	—	24.25-29	2.8500-75	2.3395-3405	41.34-37	39.20-23
Paris	173.825-025	4.1215-1315	—	11.7675-7925	9.645-670	170.175-675	161.50-90

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—107½% (105¼%)

NEW YORK

Stock	May 5	May 2
Addressograph	7¾	7⅝
Aetna Life & Cas.	22⅞	22⅝
Corning Glass	46¾	46⅛
CPC Int'nation'l	39¾	41¼
Crane	50	48½
Creole Petrol'm	7⅞	7⅝
Crocker Nat. C.P.	26	25⅛
Johns Manville	25¼	25¼
Johnson Johnson	94	92¾
Johnson Control	11⅞	11¾
Joy Manufactur'g	67⅝	67⅛
Kaiser Aluminium	32⅝	32

AMSTERDAM

May 2	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	101		16	5.7
Akzo (Fl.20)	43.4	−0.1	20	9.2
AlgBkNed(Fl.100)	333.5xd	+0.5	20	6.2
AMAS NV (Fl.10)	17.5		10	5.8
AMEV (Fl.20)	69.4	+0.5	27½	5.5
Amro Bank (Fl.20)	65.6xd	−0.7	20	4.8
Van Berkels(Fl.50)	127	−2	15	9.1
Bijenkorf (Fl.20)	64.5xd		41	6.0
BokaWestm. Fl.10	107.8	−0.3	46	4.5
Buhrm-Tetterode	72.8	+0.7	25	6.3
Elsevier (Fl.20)	495	−2	24	9.7
EuroComTst Fl.10	60xd		[illegible]	5.1
Gist Brocade Fl.10	80	+0.9	25	2.9
Heineken (Fl.25)	169	+2	1[illegible]	[illegible]
HelmaHlds.(Fl.10)	39.5		14	3.4

AUSTRALIA

May 5	Aust. $	+ or −
Acrow Australia	†0.78	
Adelaide Brighton Cem't 50c	†0.77	
Allied Mnfg. Trdg. Indus $1	†1.46	
Ampol Exploration	†0.62	−0.04
Ampol Petroleum	†0.41	
Assoc. Minerals	†2.60	+0.10
Assoc. Pulp Paper $1	†0.82	−0.01
Aust. Con. Industries	†1.45	−0.02
Aust. Foundation Invest.	†0.75	+0.01
A.N.I.	†0.87	+0.02
Aust. Oil & Gas	†0.10	
Blue Metal Ind.	†0.90	+0.02
Bougainville Copper	†1.04	
Broken Hill Proprietary	†6.10	+0.02
BH. South	†1.95	−0.05

GERMANY ♦

PARIS

MILAN

STOCKHOLM

SWITZERLAND

TOKYO ¶

BRUSSELS

OSLO ♦

COPENHAGEN

VIENNA

JOHANNESBURG

SPAIN ♥

GOLD MARKET

FOREIGN EXCHANGES

FORWARD RATES

EURO-CURRENCY INTEREST RATES

CANADA

STOCK EXCHANGE REPORT

Gloomy FT Business Survey depresses markets

Share index down 15.7 at 315.0—Gilts weaken afresh

Account Dealing Dates

*First Declara- Dealings	tions	Last Dealings	Account Day
Apr. 21	May 1	May 2	May 13
May 5	May 15	May 16	May 28
May 19	May 29	May 30	June 10

* " New time " dealings may take place from 9.30 a.m. two business days earlier.

Stock markets made a depressing start to the new Account yesterday. The worsening economic outlook as shown by the FT Monthly Survey of Business opinion set the seal for a poor start, while fears about a further upturn in interest rates following fresh weakness in sterling added to the gloom as the day wore on. British Funds were particularly disturbed by the latter factor and, despite a minor rally, closing falls ranged to 1¼. The Government Securities index fell 0.94 to 56.55.

Losses in leading Industrials extended to 10p and occasionally more. The bulk of the day's fall, however, took place in the earlier dealings as reflected in the FT 30-share index which recorded a loss of 15.2 at 11 a.m. A small technical rally developed during the afternoon, but the trend in the after-hours trading was decidedly easier and the index finished at its lowest of the day with a fall of 15.7 at 315.0. Selling in the first hour or so was not all that sizeable, but fairly persistent.

Gilts slip badly

The broad nature of the setback was mirrored in the FT-Actuaries three main indices all of which recorded losses of 3.6 per cent. Falls were in a majority over rises by nearly 5-1 in FT-quoted Industrials. Yesterday's markings of 4,382 were not comparable owing to early collection following a labour dispute.

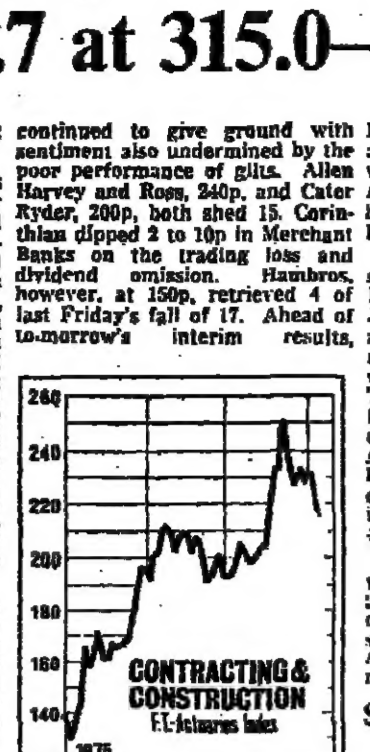
Gloomy business forecasts against a background of higher interest rate worries and the still weakening pound served to unsettle British Funds further. All maturities opened lower but this failed to prevent selling which, although relatively small in volume, was too much for the market. The decline continued through to after-hours' trading and losses were ranging to 1¼ points, but on the possibility of slightly lower U.S. Treasury bill rates to-day, cheap buying took quotations ¼ above the worst. Among the shorts, Treasury 10¼ per cent., 1979, lost ¾ to 98¹⁄₁₆, while the long-dated Treasury 12¾ per cent., 1995, fell 1¼ to 88¼.

Demand continued to outstrip supplies of investment currency and in a brisk morning market the premium rose to 107¼ per cent., up 2¼ points, a level held to the close in much quieter afternoon trading. Yesterday's SE conversion factor at 1.30 p.m. was 0.5391 (0.5399).

Ewart New Northern provided a bright spot in Recent Equities with a rise of 8 at 131p.

Banks lower

The big four Banks drifted lower on small selling and lack of support. Although closing up to 5 above the day's lowest, Barclays, 272p, Lloyds, 212p, Midland, 252p, and National Westminster, 222p, all fell 10. National and Commercial receded 4 to 59p and Bank of Ireland (results due Thursday) gave up 13 to 425p. Standard and Chartered were notably dull in Overseas issues, losing 20 to 450p. Easier last week on dearer money fears, Discounts continued to give ground with sentiment also undermined by the poor performance of gilts. Allen Harvey and Ross, 240p, and Cater Ryder, 200p, both shed 15. Corinthian dipped 2 to 10p in Merchant Banks on the trading loss and dividend omission. Hambros, however, at 150p, retrieved 4 of last Friday's fall of 17. Ahead of to-morrow's interim results,



Mercantile Credit cheapened 3 to 32p in dull Hire Purchases.

After an initial mark-down, Insurances continued to give ground on small selling and lack of support. Sun Alliance shed 15 to 425p and "Royals" 11 to 285p. Favourable week-end Press comment failed to stimulate interest in Lloyds Brokers; Minet gave up 8 to 168p xd and C. E. Heath, after last Friday's firmness, fell 7 to 225p. Pearl gave up 10 to 195p following the annual report.

Favourable week-end Press comment failed to prevent a general downward drift in Breweries. Allied shed 4 to 61p as did Boddingtons to 77p xd, while Bass Charrington and Arthur Guinness declined 3 to 87p and 98p respectively. Distillers fell 9 to 125p.

Buildings closed with widespread and often substantial losses. Taylor Woodrow, 272p, J. Laing "A", 154p xd, lost 8 apiece, while favourable trading news failed to help Geo. Wimpey, which closed 9 cheaper at 119p. Tarmac retreated 5½ to 159p in front to to-day's results. L. Fairclough slipped 10 to 200p, while Associated Cement, 154p, and Redland, 77p, both finished 7 easier. Other notable casualties included London Brick, 4 off at 47p, and Marley, 6 down at 76p.

After touching 231p, ICI rallied to close 7 easier on the day at 233p. Following recent weakness on the chairman's bearish annual statement at the annual meeting, Albright and Wilson declined 6 more to 77p

Stores sold

Stores ran into some fairly heavy selling and closed at, or near, the day's lowest. Marks and Spencer were finally 10 off at 218p, after 215p, while "Gussies" "A", 185p and British Home Stores, 348p, lost 8 apiece. Mothercare were active and 8 cheaper at 170p in front of to-day's preliminary figures. Against the trend, Wallis and Co. (Costumiers) moved up 4 to a 1975 peak of 44p in response to a Press mention. Mail Orders drifted in light trading.

Electrical leaders retreated in thin trading, but closing levels were generally above the day's worst. Thorn Electrical recorded a fall of 12 at 144p, while EMI finished 7½ down at 147p xd, after 143p xd and GEC 5 cheaper at 108p, after 106p. The firmer investment premium left Philips' Lamp 8 harder at 882p. Elsewhere, Newman Industries reacted 3 to 39p following last Friday's improvement of 5 on the sharply higher profits. Similarly easier were Electronic Rentals, 40p, and Ever Ready, 76p, but A. F. Bulgin "A" were a firm exception on the chairman's statement at 14p, up 1.

The leaders sustained the heavier falls in Engineerings, Hawker reacting 14 to 272p, while Tube Investments, 262p, and Metal Box, 250p, reacted 12 apiece. GKN fell 7 to 228p and losses of about 5 were common to Lake and Elliot, 42p, Capper-Neill, 40p, and Aerow "A," 53p. Still unsettled by the half-way loss and interim dividend omission, Whessoe gave up 2 further to 29p. Against the dull backcloth, Sheffield Twist were a bright feature, jumping 26 to 75p, on the cash offer of 77½p per share from SKF. Press mention helped N. Greening harden 1 to 23½p, while the chairman's confidence about current trading took Ransomes Sims up 5 to 150p.

Tate and Lyle featured Foods with a fall of 11 to 249p. Ahead of tomorrow's results, J. Sainsbury were 7 cheaper at 167p, while losses of 6 were seen in Bejam, 79p, and Manbre and Garton, 129p. Cadbury Schweppes, following Press comment on the proposed "rights" issue, eased 2 to 45p. Other dull spots took in Matthews Holdings, 4 off at 50p, and Gen. Bassett, 6 lower at 60p.

Trust Houses Forte slipped 7½ to 114p xd despite the chairman's cautious optimism at the annual meeting. Mount Charlotte eased 1½ to 5½p on the reduced dividend and earnings and Savoy Hotel "A" closed 2 off at 21p, after 20p, following the chairman's remarks on prospects at the annual meeting. Grand Metropolitan receded 4 to 57p, J. Lyons "A" 6 to 142p and Ladbroke 8 to 157p.

Unilever down again

Adverse Press comment made for fresh nervousness in Unilever, which ended 9 cheaper at 352p awaiting Friday's first-quarter results. Similar falls occurred in Beecham, 253p, Glaxo, 375p xd, after 368p xd, Bowater, 138p xd, after 134p xd, and Turner and Newall, 122p, while Boots finished 11 down at 237p. Interest in the new Rank "A" 70p paid died down considerably and the shares closed 5 off at 87p, after 84p, while the old "A" lost 8 to 155p. Elsewhere against the general trend, Cussons, 35p, and "A," 46p, both firmed 4 in response to Press comment on the bid situation, but bidders Paterson Zochonis lost 20 to 340p, while the "A" shed 10 to 330p. Hoover "A" receded 12 to 243p, Hay's Wharf 7 to 100p, and Radiant Metal 4 to 22p, while lower interim profits left Burndene Investments 1 off at 8p. Central Manufacturing shed 2½ to 62½p despite the rise in half-year profits. Dealings in Barranquilla Investments, £24½, were temporarily suspended yesterday pending formulation of terms of an offer to be made by Granada for the minority interest; the latter's "A" shares lost 4 to 41p.

Motors and Distributors had another quiet session. Lucas were prominent at 120p, down 6, on small selling in an unwilling market, while Associated Engineering eased 1½ to 52½p and BSG International softened ½ more to 10⅞p on further consideration of the results.

Easiness in Newspapers was largely confined to Thomson, down 5 at 175p, and Associated, which slipped 3 more to 99p. Home Counties gave up 2 to 38p on the warning about a substantial decline in current year profits.

Properties flat

Sellers left leading Properties closing near the day's lowest. Land Securities gave up 12 at 214p and MEPC 10 at 175p, while Amalgamated Investment reacted 6 to 37p. British Land, 28½p, and Town and City Properties, 30p, both relinquished 2½. Secondary issues also made a weak showing. Trafalgar House opened firmer at 115p in response to a favourable week-end Press comment, but subsequently retreated to 105p for a net loss of 7. Hammerson "A" slipped 25 more to 400p and Royco 3 to 22½p, both reflecting lower profits. Falls of around 15 occurred in Chesterfield Properties, 134p, and Bernard Sunley, 155p, while Stock Conversion, 172, and Property Holding and Investment, 225p, both closed about 13 down.

Shell down

Shell, which performed well last week in relation to British Petroleum, were particularly vulnerable yesterday and closed 13 down at the day's lowest of 281p. BP gave up 9 to 408p, little attention being paid to either the oil discovery south-west of the North Sea Ninian Field or Continental reports that a German group was planning to acquire a 10 per cent. stake in the company. Following the leaders, Ultramar shed 7 to 156p and British-Borneo 4 to 128p.

After last Friday's sharp mark-up which followed publication of the documents setting out the proposed reconstruction of the Sir Denys Lowson group of investment trusts, the trusts concerned turned easier yesterday. Nelson Financial at 360p, gave back 40 of last Friday's gain of 70, while First Re-Investments shed 13 to 232p and Melbourne and General receded 10 to 125p. Elsewhere, Caledonia Investments declined 12 to 148p. Lubok Investments, on the other hand, put on 8½ to 36p and the 12 per cent. Convertible added 13 points to £145 following favourable week-end Press comment.

Small offerings in an unwilling market brought depression to Shippings. British and Commonwealth shed 11 to 175p and Lyle gave up 16 to 237p xd, while Furness Withy receded 6 to 181p; the latter's preliminary results are due next Monday. Reardon Smith "A" lost 12 more to 233p, but P and O Deferred were only 2 lower at 96p.

In dull Textiles, Courtaulds receded 4 to 95p, after 101p. Down 17 last week following the poor half-year figures, S. Lyles lost 3 more to 31p, while Carpets International were similarly lower at 72p xd despite favourable Press comment.

Imps cheapened 2 to 55p as did Bats to 298p, after 292p, in quiet Tobaccos.

O.K. Bazaars "A" continued firmly in South Africans, rising 35 more to 760p for a two-day gain of 90p.

Guthrie were dull in Plantations, falling 11 to 252p in line with the trend of Industrial leaders.

Platinum gains

Platinum issues stood out against a background of losses in Mining shares generally. Buying of Platinums came from the Cape and prices moved up under the lead of Lydenburg which advanced 14 to 114p with Potgietersrust gaining 10 to 210p and Bishopsgate rising 7 to a year's high of 81p.

U.K. Mining finance issues felt the backlash of the weakness in Industrial equities. Selection Trust retreated 25 to 605p, Charter lost 12 to 171p and RTZ were 10 down at 184p. South Africa's Anglo American reacted 15 to 465p after last week's advance. In Diamonds, De Beers edged up 2 further to 288p.

Gold shares also felt the draught although the impact of a fall in the bullion price of $1.75 to $163.75 per ounce was cushioned by firmness of the investment dollar premium. The Gold Mines index lost 13.1 to 362.2 and share price losses extended to £1¼ in West Driefontein at £47½. Blyvoor fell 40 to 880p and Western Areas came back 25 to 575p. Deelkraal eased 3 to 80p premium.

Australians were fully steady and last week's interest in the mineral sand producers spread to Westralian Sands which gained 7 to 62p. Little change was seen in the Tin group while, in Coppers, Messina advanced another 15 to a new high for the year of 390p despite the weakness of the metal price.

Elsewhere, Sabina held at 120p in front of the results which are due on Thursday. Canada's Pacific Copper Mines rose 5 to 50p.

FINANCIAL TIMES STOCK INDICES

—	May 5	May 2	May 1	April 30	April 29	April 28	A year ago
Government Secs.	56.55	57.49	57.56	56.69	57.10	57.11	57.25
Fixed Interest	56.97	57.62	57.53	57.23	57.53	57.68	56.87
Industrial Ordinary	315.0	330.7	334.7	327.2	333.9	327.9	302.5
Gold Mines	362.2	375.3	373.3	375.3	371.4	372.5	328.4
Ord. Div. Yld. (a)	6.57	6.27	6.32	6.36	6.25	6.34	6.55
Earnings Yld.%(full)	19.12	18.26	18.11	18.55	18.18	18.68	16.88
P/E Ratio (net) (a)(b)	7.30	7.64	7.71	7.54	7.68	7.48	8.45
Dealings marked	4,382	7,780	6,717	7,659	7,818	7,464	16,256
Equity turnover £m.	—	100.47	68.14	70.66	73.24	64.28	40.02
Equity bargains total	-	24,266	19,901	19,153	19,362	18,857	12,743

10 a.m. 319.7. 11 a.m. 315.5. Noon 315.5. 1 p.m. 315.9. 2 p.m. 316.0. 3 p.m. 313.9.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.27

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (30/1)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	62.51 (21/3)	50.53 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	355.5 (22/4)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	423.5 (25/2)	280.2 (30/1)	425.4 (15/11/74)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 5	May 2
Daily—		
Gilt-Edged	92.8	132.0
Industrials	159.4	297.7
Speculative	45.9	74.2
Totals	99.7	177.1
5-day Av'rge		
Gilt-Edged	139.7	162.8
Industrials	249.3	269.5
Speculative	64.2	70.7
Totals	156.4	170.4

FT—ACTUARIES INDICES

—	May 5	May 2	May 1	April 30	April 29	April 28	A year ago
Industrial Group	125.57	130.31	131.20	129.22	132.73	128.50	121.60
500 Shares	135.26	140.29	141.11	138.95	142.67	138.60	132.26
Div. Yield p.c.	6.49	6.26	6.21	6.31	6.15	6.32	6.17
P/E Ratio (net)	6.60	6.84	6.87	6.76	6.94	6.74	8.19
All Share	135.82	140.87	141.74	139.59	143.54	139.13	130.24
Consols yield p.c.	15.58	15.52	15.52	15.55	15.42	15.42	14.26

AUTHORISED UNIT TRUSTS

(a) (g) Abacus Arbuthnot Ltd.			Yield %
53, Fountain St., M/C.			061-236 9773/5
Giants	30.6	32.4 -0.7	4.30
Giants Accum.	32.0	33.9 -0.7	4.30
Growth Units	27.2	29.0 -1.0	4.30
Growth Accum.	28.6	30.4 -1.0	4.30
Income Units	28.4	30.5 -0.5	8.20

(a) (g) The Crescent Group			Yield %
Crescent Unit Trust Managers Ltd			
4, Melville Cres., Edinburgh 3.			031-226 4931
51, Fountain St., Manchester.			061-236 5685
Crescent Growth	17.2	18.4 -0.6	5.19
Cres. International	38.6	41.5	2.13
Cres. High Dist.	31.1	33.4 -1.0	7.69

(a) (c) Lawson Securities Ltd.			Yield %
63 George Street, Edinburgh.			031-226 3911
Scots Resources*	63.9	68.9 -1.1	4.80
Gilt & Warrants	27.4	29.9	1.74
High Yield**	107.8	116.0	13.10
Accum. Units**	116.3	125.5	13.10
American Fund	23.4	25.4	—

(a) (z) Pearl Montagu T. Mgrs. Ltd.			Yield %
114, Old Broad St., EC2P 2YH.			01-588 6464
PA Monmouth Fd.	17.2	18.6 -0.4	4.43
Accum. Units	18.7	20.2 -0.5	4.43
PA Monmouth Fd.	20.8	22.4 -0.7	6.97
Pearl M'ntgu Tst	25.8	27.8 -1.0	4.76
Accum. Units	29.7	32.0 -1.2	4.76

(a) (g) Slater Walker Tst. Mangmt.			Yield %
S.W. Growth	58.3	62.4 -2.9	5.61
S.W. Assets Trust	49.6	53.1 -1.2	7.53
S.W. Capital Ac.	35.0	37.5 -1.2	5.43
S.W. Financial Tst.	37.2	39.8	4.09
S.W. High Inc.	50.1	53.6 -2.0	7.60
S.W. Prfssnl Tst.	402.4	414.9 -2.4	4.60
S.W. Status Ch's	19.2	21.2 -0.4	6.45

INSURANCE, PROPERTY, BONDS PRICES PAGE 29

OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd.			Yield %
P.O. Box 1349, Hamilton, Bermuda			
Albany Fd. Ltd.	$5.19	5.57	—

Australian Selection Fund N.V.
Loan Agent, Pan Australian Int Mgt Ltd., 20, Red Lion Ct., E.C.4. 01-353 2416

Free World Fund Limited		Yield %
Butterfield Building, Hamilton, Bermuda		
NAV Mar. 31	US$106.16	—

G.T. Bermuda Ltd.
Bk of Bermuda Front St. Hamiltn, Brmda

Berry Pc Fd Apr30	US$4.37		1.70
do. Pacific Apr30	118.29	126.62	—

Murray Johnstone (Inv. Adviser)		Yield %
163 Hope St., Glasgow C.2.		041-221 5521
*Hope Street Fund	US$19.52	—
†Murray Fund	US$6.72	—

*NAV April 15 †NAV Mar. 31.

Negit S.A.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98¼	90¼	Savings 3pc '65-75‡‡	98⅛	......	3.05	9.94
98¼	94⅞	Exch.6½pc 1976‡‡	97¼	−⅛	6.68	9.99
97¼	92⅝	Treasury 6½pc 1976‡‡	95½	−⅛	6.77	9.95
98¼	97	Victory 4pc 1976‡‡	98		4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅝	−⅛	10.53	10.68
95	88⅞	Treasury 6¼pc 1977‡‡	92¾	−⅛	6.74	10.64
91¼	86¾	Electric 3pc '74-77	89½	−¼	3.35	9.25
103⅝	96⅞	Treasury 11½pc '77‡‡	101⅛	−⅛	11.38	10.93
88⅛	84	Treasury 3pc '77	85¾xd	−⅛	3.50	9.45
88⅝	84⅛	Transport 4pc '72-77	85⅞xd	−⅛	4.66	10.26
96⅝	90½	Treasury 9pc 1978‡‡	94	−1	9.57	11.47
96⅝	94	Treasury 9pc '78 'A'‡‡	94	−1	9.57	11.48
100⅛	97	Treasury 10½pc '78‡‡	97	−⅞	10.82	11.62
87⅝	79	Exchequer 5pc '76-78‡‡	84¾	−¼	5.90	10.43
103	94⅞	Treasury 11½pc '79‡‡	99⅝	−⅛	11.55	11.60
79⅞	71⅞	Treasury 3pc '79‡‡	76½	−⅛	3.92	9.71
81	73⅞	Electric 4¼pc '74-79	77⅞	−⅞	5.47	10.75
100⅛	96	Treasury 10½% '79‡‡	96⅝xd	−⅛	10.87	11.57
79⅝	71	Electric 3½pc '76-79	76¾xd	−⅛	4.56	10.00
95	84	Treasury 9pc 1980‡‡	91	−½	9.89	11.45
		Five to Fifteen Years				
79	68¼	Treasury 3½pc '77-'80	75¾	−1⅛	4.70	10.02
84½	71	Funding 5¼pc '78-80‡‡	81¼	−1⅛	6.63	10.62
75½	66⅛	Treasury 3½pc '79-81	72½	−1⅛	4.88	10.06
91⅛	72⅝	Do 8½pc '80-82‡‡	87½	−1¼	10.01	11.80
104⅛	86⅝	Treasury 12pc 1983‡‡	99⅝	−1¼	12.28	12.45
78	58	Funding 5½pc '82-84‡‡	72¾	−1	7.74	10.68
85¼	61⅞	Treasury 8½pc '84-86‡‡	80⅝	−1	10.91	12.16
73¼	51⅞	Funding 6½pc '85-87‡‡	65½xd	−1	9.94	12.02
76¼	53	Treasury 7¾pc '85-88‡‡	70¼	−1	11.38	12.90
46⅛	32⅞	Transport 3pc '78-88	40½	−1	7.60	12.47
55¼	39¼	Treasury 5pc '86-89	48¾	−1	10.32	12.98
		Over Fifteen Years				
75½	53½	Treasury 8¼pc '87-90‡‡	69	−1⅛	12.54	13.64
55¼	41⅞	Funding 5¾pc '87-91‡‡	49½	−1	11.73	13.68
97½	89½	Treasury 12½pc '93‡‡	89½	−1¼	14.26	14.42
54½	40½	Funding 6pc 1993‡‡	47⅛	−1	12.97	14.36
75¼	54⅛	Treasury 9pc '94‡‡	63½xd	−1⅛	14.20	14.75

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 83½% (based on $2.3387 per £)

CANADIANS

S.E. List Premium 83½% (based on $2.3362 per £)

Conversion factor 0.5391 (0.5390)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	780	Durban Deep R1	930	−20	Q110c	ϕ	7.6
£14	860	E. Rand Prp. R1	£11¼	−¼	Q115c	ϕ	6.6
105	55	Rand Leases 25c	62	......	—	—	—
£33½	£22	Randf'tn Est. R2	£28½	−1	—	—	—
500	260	West Rand R1	350	......	Q40c	1.3	7.5

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	295	−10	†Q51c	1.1	12.1
23	13	Daggafontein 50c	15	−1	—	—	—
105	68	East Dag R1	85	−2	Q25c	ϕ	19.7
140	140	Grnt. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	285	−20	Q32c	1.1	7.4
695	410	Kinross R1	605	−25	†Q50c	1.5	5.3
198	107	Leslie 90c	152	−11	†Q22c	1.6	10.7
550	325	Marievale 70c	400	−15	Q86c	1.1	13.5
725	380	S. African Ld. 35c	550	−25	Q85c	1.2	10.0
265	175	Vlakfontein R1	205	−7	Q35c	1.3	11.0
£12½	840	Winkelhaak R1	£12	−¼	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	73	−3	Q1c	10.9	0.9

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	860	−40	Q90c	1.3	6.7
£21½	£17	Buffels R1	£19¾	−¼	†Q160c	1.4	5.4
£14¼	920	Doornfontein R1	£11¾	......	†Q100c	1.4	5.5
£11¼	725	East Drie R1	900	−25	Q55c	1.8	3.9
£11	725	Do Comb Units	870	−30	—	—	—
450	295	Elsburg R1	350	−15	Q45½c	1.2	8.4
£27	£16	Hartebeest R1	£23	−1	†Q160c	1.7	4.5
£13¼	815	Kloof Gold R1	£10½	−½	†Q79c	2.2	‡
£15⅞	875	Libanon R1	£14	−1	†Q100c	2.0	4.6
£12¼	960	Southvaal 50c	975	−25	Q9c	ϕ	0.6
475	340	Stilfontein 50c	405	−10	Q65c	1.5	10.3
£33¼	£21	Vaal Reefs 50c	£28¾	−¼	Q220c	1.7	4.9
£11½	650	Venterspost R1	830	−20	†Q75c	1.7	5.8
£50	£34	W. Drie R1	£47¼	−1¼	†Q400c	1.3	5.4
745	450	W'st'rn Areas R1	575	−25	Q70c	1.4	7.8
£22½	£15	Western Deep R2	£19½	......	Q160c	ϕ	5.3
450	295	Zandpan R1	400	−15	†Q27c	1.0	4.4

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	290	Fr. State Dev. 50c	360	−10	†Q12c	1.8	2.1
£30½	£21	F.S. Geduld 50c	£27	−¼	†Q310c	1.1	7.6
870	550	Harmony 50c	760	−20	Q77c	ϕ	6.5
575	320	Loraine R1	355	−15	Q12c	5.7	2.2
£27	£19½	Pres. Brand 50c	£22	−¼	†Q245c	1.3	7.2

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
50	32	Amal. Nigeria	48	......	†20.8	1.6	16.7
140	77	Ayer Hitam	140	......	39.2	1.2	10.8
36	20	Beralt Tin	24	−1	—	—	—
405	268	Berjuntai SM2.5	400	......	†Q$M1.8	ϕ	8.1
17	13	Ex Lands 10p	16½	......	13.7	0.9	13.2
246	216	Geevor	245	......	†74	2.3	11.7
18	11	Gold & Base 12½p	15½	......	6.7	1.6	8.9
245	157	Gopeng Cons.	233	−2	57	ϕ	9.4
73	55	Hongkong	73	......	—	—	—
58	40	Idris 10p	55	......	67	ϕ	19.7
11	7	Jantar 12½p	11	......	—	—	—
60	43	Kamunting 15p	58	......	†40	0.8	15.9
150	140	Killinghall	150	......	48	—	12.3
180	106	London Tin 20p	173	......	35	ϕ	6.2
180	93	Malay Dredging	175xd	−1	g43.9	1.6	9.6
59	29	ΔPahang	52	......	†4½	1.5	6.2
65	44	Pengkalen 10p	63	......	70	1.0	16.6
92	75	Petaling SM1	92	......	—	—	—
23	8	Saint Piran	16	......	‡5.3	1.3	‡
125	68	South Kinta (10p)	108	......	†82.5	0.9	11.8
150	73	Sthn. Malayan	143xd	−3	g45.9	1.4	11.8
75	47	Sungei Besi 30p	73	−2	†27½	3.2	11.6
43	33	Sungai Way SM1	43	......	Z010	—	4.1
64	48	Tanjong 15p	70	......	29	ϕ	9.6
75	62	Tongkah Hb SM1	64	......	Q30	1.3	12.9
77	42	Tronoh	77	......	16.1	ϕ	8.0

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
86	56	Botswana RST R2	83	......	—	—	—
390	196	Messina R0.50	390	+15	Q60c	2.9	9.9

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
6½	3	Burma Mine 17½p	6½	......	—	—	—
40	17	Charterhall 5p	33½	+½	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
700	360	Cons. Murch. 10c	709	......	Q130c	2.2	12.0
53½	29½	Laurasia	42½	......	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	320	−5	Q65c	1.0	8.8
199	80	R.T.Z.	194	−10	19.9	4.6	4.2
135	47½	Sabina Inds. C$1	120	......	—	—	—
70	51	Stanford Mines ‖	70	......	—	—	—
£12½	875	Tara Expln. $1	£12	+¼	—	—	—
75	38	Yukon Cons C$1	69	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers adjusted to corporation tax of 52 per cent. on imputation system and 35 per cent. ACT. P/Es calculated on "net" distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on increased ACT, are based on middle prices, are gross and allow for value of declared distributions and rights.
Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; cover does not apply to special payment. A Net dividend and yield. B Preference dividend ... deferred. C Canadian. E Issue price. G ... 1973-74. ... and yield after pending scrip and/or rights ... based on prospectus or other official ... Q Gross. T Figures assumed. U ... Tax payable. Z Dividend total ... ex rights

Abbreviations: xd ex divid... a ex all; xc ex capital ...

"Rights" Page 21

"Recent ... able to every Company dealt in on ... throughout the United Kingdom for a ... 85 per annum for each security

This ... St...

FINANCIAL TIMES

Tuesday May 6 1975

Strike threat to Chrysler Iran order

BY JOHN ELLIOTT, LABOUR EDITOR

WORK on Chrysler U.K.'s major car export order with Iran faces the risk of being shut down on Friday as a result of a strike called yesterday by 4,000 of the company's workers over a £15 a week pay claim which would add nearly 30 per cent. to their basic wages.

The claim is the first in the annual series within the company due for settlement by the end of June. Both Chrysler management and union officials were surprised yesterday when a mass meeting of the 4,000 workers voted with only a handful of objectors to strike from the end of this week without waiting for the company to reply to the claim with a pay offer.

The workers are employed at Chrysler's Stoke plant in Coventry and their claim will be followed on Thursday with demands for 30 per cent. rises from 3,000 at the company's Ryton plant.

But it is the risk of trouble at Stoke which is most serious for the company because it is this plant which is handling the Iran order which has boosted work at a time when the car industry's problems caused Chrysler a month ago to announce a £17.7m. pre-tax loss for the first half of the year.

The Iran work involves the production and shipment in knocked down form this year of parts for 150,000 locally assembled Hillman Hunters and 10,000 Avengers. About one-quarter of this work has so far been cleared.

A strike at Stoke would also progressively hit production at other Chrysler factories.

Chrysler's work force is well aware of the company's financial problems and Mr. Bob Morris, a union convenor, warned yesterday's mass meeting that the men were embarking on a course of action which possibly could "destroy themselves" and the company. "Let no-one say that you were led into this by irresponsible shop stewards or left-wing factions because that is not true," he declared.

Serious

But a company spokesman later tersely replied: "We are appalled that the company should be faced with a strike some eight weeks before the annual contract expires. Discussions have hardly got under way with the unions on their claim. The consequences of a strike will be extremely serious."

The Stoke workers' militancy is partly because they have watched other engineering workers in the Coventry area receive substantial pay increases in recent months and now consider their £54.77 weekly rate a "pittance" compared both with other local engineering workers and car workers in other companies.

They drew up their £15 a week claim and lodged it last week after which the company's poor financial position was explained to them by Mr. Peter Griffiths, Chrysler's labour relations director.

Now the company has to decide whether to try to "buy off" the strike with an offer before Friday's deadline.

● Chrysler may also be hit within a week or two, along with Vauxhall, by the Dunlop engineering strike which is expected to cause British Leyland to announce fresh layoffs to-day or to-morrow. About 7,100 BL workers are already idle because of the strike.

10% cut imminent for pay beds

BY PHILIP RAWSTORNE

MRS. BARBARA CASTLE, Social Services Secretary, is to begin immediate consultations on phasing-out of pay beds in National Health Service hospitals. Government legislation to implement the programme will probably be introduced next session.

As a preliminary step, Mrs. Castle told the Commons yesterday, the number of pay beds in England will be reduced by 500—some 10 per cent.

The reductions would be in areas where pay beds were under-utilised, she said. On average, only 52 per cent. of pay beds in NHS hospitals were occupied at any time, compared with 81 per cent. of all hospital beds.

Mrs. Castle told MPs that the Government's policy was designed to end the unfairness of queue-jumping in the NHS and to release more facilities and services, particularly of staff, for the benefit of NHS patients.

"There is continuing concern about the fact that some patients are admitted to pay beds with less delay than NHS patients with similar medical conditions," she said. The medical profession would be urged to introduce common waiting-list procedures for both the paying and non-paying patients.

Anxious

Mrs. Castle said that the Government was anxious to maintain Britain's reputation as an international centre for specialised medical treatment. NHS hospitals would continue to treat overseas patients requiring specialised skills, providing there was no queue-jumping and that any fees they paid went to the hospital service and not to the consultant.

The Government was also considering what NHS facilities, if any, should continue to be made available to the private sector at "realistic charges."

Mrs. Castle said that the "amenity bed" system which provided greater privacy for small fees for NHS patients would be maintained and if possible extended. "The Government is committed to providing every patient with the maximum privacy possible."

Consultations would also be hed about the extension of the Government's licensing powers to ensure a closer control of the private-sector development after the phasing out of pay beds.

Reference

Our Labour Staff writes: Mrs. Castle's reference to further licensing of the private sector is being understood by the health service unions to mean a strict limit on the number of private hospital beds that can exist at any time—possibly related to the number of NHS pay-beds due to disappear.

The British Medical Association last night said it regretted the Government's decision to pursue a policy "which would involve the taxpayer in making good a considerable loss in revenue."

Dr. Derek Stevenson, BMA secretary, said the announcement "removed the justification for wild-cat trade union interference."

● A spokesman for the British United Provident Association, the private health scheme, said Mrs. Castle was acting unfairly by not making a clear announcement of her proposals on pay beds.

U.K. refuses to aid African guerilla wing

BY BRIDGET BLOOM AND J. D. F. JONES

KINGSTON, May 5.

MR. WILSON to-night flatly rejected an African request for financial or material aid for the Rhodesian guerilla wing of the African National Council.

The Prime Minister and Mr. Callaghan, the Foregn Secretary, together with Mr. Arnold Smith, the Commonwealth Secretary-General, held a meeting in the corridors of the summit here with the Presidents of Zambia, Tanzania and Botswana and with Mr. Joshua Nkomo, the Black Rhodesian leader at which the Africans requested £½m. to help train and equip their guerilla forces.

The British refusal to consider this request—which the Africans see as an important symbol of British support for their "dual strategy" of making credible preparations for armed struggle while at the same time stressing their preference for a negotiated solution—has caused some exasperations and distress.

It was also felt that there was an element of "preaching" in Mr. Wilson's attitude.

President Kaunda would merely say afterwards that the meeting had been satisfactory. However, Mr. Joshua Nkomo, who was formerly of ZAPU and is now one of the four senior African leaders of Rhodesia, seemed less unhappy with the outcome.

One of the curious developments of these past days has been the good atmosphere between the British and Mr. Nkomo. British sources have been speaking warmly of Mr. Nkomo and he for his part has been happy to hear assurances that Britain continues to accept responsibility for Rhodesia.

Mr. Nkomo is the only one of the senior black Rhodesians who have been visiting Kingston.

The issue of Commonwealth, and particularly British support for the armed struggle if negotiations between the ANC and the Smith Government should fail to achieve rapid majority rule, has dominated much of the discussions here at the Commonwealth summit and has revealed deep differences at a fundamental level between the British and the Africans.

The African States as well as the ANC, want to avoid stepping up the guerilla war if at all possible; they believe, however, that if war itself is to be avoided the threat of it must be credible. This is why they want a firm and manifest British commitment to the guerillas.

The British Government, on the other hand, is clearly in favour of waiting to see how the diplomatic initiatives on Rhodesia pan out. In particular, it is putting heavy emphasis on the importance of helping Mozambique to apply sanctions against Rhodesia in the hope that this, together with pressures from South Africa, will bring Mr. Smith to negotiate the transfer of Rhodesia to majority rule.

Mr. Wilson, who has frequently referred here to his own experience of negotiating with Mr. Smith, believes that an outright commitment to the full African strategy would make Mr. Smith even more intransigent than he already is.

It is unlikely that these differences can be bridged at this conference or probably at any time in the immediate future. At bottom, Britain considers Rhodesia to be a debt of honour, not of vital significance to Britain's own security and of little vote catching importance. For the Africans, the issue is a life and death matter.

Unacceptable

The present draft of the communique, to be issued at the close of the meeting to-morrow night, is remarkably mild in tone on Rhodesia, referring only to Commonwealth "support for humanitarian assistance to the indigenous peoples of Southern Africa" in their search for self-determination. This phrase is almost certain to be unacceptably weak to some of the African leaders here, who want at least a reference to support for the African strategy. This is likely to be the bitter subject of argument over the next 24 hours.

Officials were expected to continue work on the communique late into the night.

Commodity plan talks, Page 4

Kaunda in Lisbon, Page 6

THE LEX COLUMN

Shares, cash and sterling

The computers were back at work yesterday, telling us how many billions had been wiped off share prices. The background to the day's fall of over 15 points consisted of sagging sterling, gloomy business forecasts, the wages scramble, more talk about the political direction of institutional funds, and general uncertainty about interest rates. Paradoxically, though, this is hardly distinguishable from the environment which produced the sharp run-up in share prices just after the Budget.

The market has now fallen by over an eighth since that surge ran out of momentum just under a fortnight ago. But volume has been noticeably lighter on the downward track, and some kind of a reaction was certainly on the cards after the extreme enthusiasm which accompanied the last stages of the upswing to 355.5 on the 30-Share Index. There was plenty of wishful thinking about the virtues of equities as a hedge against inflation, but the appearance of over £160m. of post-Budget issues and placings has helped to bring the market back to earth.

In technical terms, shares are now well out of overbought territory and back to a level where there has been plenty of genuine business within the past eighteen months. The volatility of the market is something that has to be lived with in a period of inflation and economic instability. But there is no reason to believe that the underlying uptrend has been broken, even if it is more likely to materialise through violent surges than any steady progression.

For a start, there is every reason to believe that cash is still burning a hole in the institutions' pockets. It now emerges that after a big pile-up of cash in the final quarter of 1974, when short term assets of insurance companies and private pension funds climbed over £600m., year-end liquidity of these institutions reached £2.4bn. To that can be added

Index fell 15.7 to 315.0

roughly £1bn. for the unit and investment trusts. At the very least, it can be assumed that it will take a great deal to turn these institutions into major sellers at this stage.

Cash—now losing over 15 per cent. a year in real terms—is unlikely to become a more acceptable haven in the next few months. It is possible that MLR may go up again on Friday, and further upward pressure cannot be ruled out if the Bank of England tries to steady the sterling exchange rate ahead of the referendum. But after June 5 these constraints will not necessarily apply. Meantime the prospect of stable U.S. interest rates appears to have been substantially improved after last week's policy statement from the Federal Reserve indicating faster growth of the money supply, so there should be no pressures from that direction.

Long gilts will still have to wrestle with severe problems. And equities will have to cope with some grim profit figures—as with Unilever this Friday, for instance. But earnings declines will be less damaging for share prices than last year's liquidity crunch, and the flow of funds is still moving in favour of the corporate sector.

SKF/Sheffield Twist

There are likely to be few questions in the minds of Sheffield Twist shareholders about accepting SKF's £10.5m. agreed cash offer. The price of 77½p is the highest for over three years and compares with a pre-bid level of 48p and a low for the year of 18p. The exit p/e is 11.2 on 1974 profits, which were 29 per cent. higher than in 1973 and well above the fluctuating level of the previous few years. Although there are obvious cyclical doubts now, the group is talking about an order backlog and a possible further improvement in profits this year.

There are no immediat[e] ...cial pressures: the tot... liquid outflow over th... three years has been only £200,000, and net debt ... end of 1973 was about ... cent. of shareholders' fu... £6.5m., with little increa... ing 1974. The problem ... the group reckons it n... spend about £5m. to ... capacity, which it ... could not be generated ... ally within a sufficient ... rights issue would no... raised enough money, ... straight debt issue woul... over-geared the grou... approach to FFI was app... not considered.

But the offer inevita... political implications ... because of the propose... in control overseas ... monopoly grounds, thou... only has a negligible s... the U.K. twist drill ... where Sheffield Twist ... stake of over 30 per cen... groups yesterday were a... consultation with emplo... job continuity. Indeed, ... of reorganising to ... against the big U... Japanese groups ... cutting tool market has... implications for both ... ment and exports from ...

Algemene Bank

The English language ... of the Algemene Bank ... land accounts (for 19... now been published, but ... balance sheet rather th... accompanying statemen... catches the eye. Last yea... deposits rose a fifth to F... and the ratio of shar... funds narrowed from ... 2.9 per cent. to 2.6 pe... against about 3.3 per ... AMRO at December 31. Algemene's rights is... Fl.250 a share, or Fl.8... the current market pric... Algemene and AMRO ... performed the Am... Bourse this year, thoug... which also had a righ... this year, retains its ... status with a yield of ... cent., 1¼ points less ... gemene.

Big rises planned in council rents

BY JOE RENNISON

IN A MAJOR Government about-turn on housing policy Mr. Anthony Crosland, the Environment Secretary, yesterday warned of large forthcoming increases in local authority rents to try to balance the housing finance books and to ease the burden on ratepayers.

It is understood that the Government would expect councils to increase rents by about 12 per cent. this year and by possibly as much as 30 per cent. in 1976-1977.

Rents accounted for 74 per cent. of the income of housing revenue accounts in 1968, but this year this figure was down to 55 per cent. Some housing accounts are virtually bankrupt. If some councils refuse to put up rents, it was hinted last night Mr. Crosland would have no hesitation in reducing their rate-support grant.

Mr. Crosland also announced that he was restoring most cuts made in the municipalisation programme. In a Commons answer yesterday he said that £100m. would be reallocated from the local authority home loan programme to maintain the councils' municipalisation programme at its high level of 1974-5.

This ran at about £400m. a year, but two months ago the Minister announced cuts bringing the total programme back to £286m. a year.

Resources have been switched from council home loans because it is thought that the building societies will be able to provide the necessary funds. Both deposits in and mortgage commitments by the societies are running at record levels and it is hoped that they will be able to take up at least part of the shortfall in public lending.

A Building Societies Association official was not enthusiastic about the proposals. He pointed out that the councils tended to take on loans where the risk was higher than societies would normally accept. Besides, they had an enormous commitment to existing clients.

The Government will be meeting the BSA on Thursday, and is also encouraging local authorities to have independent meetings with local societies.

The DoE is to set up a study group with local authorities to discuss priorities in home loan and rehabilitation. It was emphasised in Whitehall last night that housing remains the Government's top priority, and that there would be no cut in the new housebuilding programme by councils.

Manifesto MPs act on Press freedom

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE MANIFESTO Group of moderate Labour MPs—following a meeting with Lord Goodman and Fleet Street editors and journalists at Westminster yesterday—are to ask Mr. Michael Foot, the Employment Secretary, to table two key amendments on Press freedom to his controversial Trade Union Amendment Bill.

The Manifesto MPs are convinced that unless some compromise formula is accepted by Mr. Foot he will face defeat over the closed shop provisions of the Bill when it continues its progress through the Commons around Whitsun.

Yesterday's meeting foreshadows attempts by politicians and journalists in the next fortnight to bridge the gap between two major amendments proposed to the Bill—Lord Houghton's proposal for a voluntary code of conduct, and Lord Goodman's much tougher legal sanctions to prevent a closed shop among journalists.

The MPs, led by Manifesto Group chairman Dr. Dickson Mabon, Mr. John Horam, MP for Gateshead W. and Mr. David Marquand, MP for Ashfield, made it clear they were not prepared to defy the Government and vote for all the points in the Goodman amendment accepted by the Lords last month.

But they believe Mr. Foot, when he returns from his hospital treatment, will have to draft amendments on two issues—to give more protection to editors from the effects of a closed shop, and to guarantee continued access to newspapers by non-journalistic writers.

Mr. Foot has so far backed the Houghton amendments, but as these were rejected heavily in favour of Goodman in the Lords the Manifesto Group believes that some compromise formula must now be accepted by the Government.

British conditions for new trade ple[dge]

BY ROBERT MAUTHNER

PARIS, M[ay 5.]

BRITAIN IS expected to inform its OECD partners here to-morrow that it is prepared to subscribe to the joint undertaking not to introduce trade restrictions when the so-called "trade pledge" comes up for a one-year renewal at the end of the month.

The British position will be made clear at a two-day meeting of the OECD Executive Committee by Sir Peter Thornton, Permanent Secretary at the Department of Trade, but will not be formalised until the organisation's Ministerial meeting on May 28 and 29.

Even now, some doubt hangs over the final decision, for the British commitment will not be made unconditionally. The British Government feels strongly that a purely "negative" pledge is not enough since it takes insufficient account of the obligations of surplus countries.

Britain will therefore tell its partners that, in return for signing the pledge, countries with large payments surpluses should give a specific undertaking, for their part, that they will contribute to correcting the deficits of others. The British view that West Germany, with the largest surpluses of any OECD country, could do a lot more to correct international payments imbalances than it is doing by more domestic reflation, is basically shared by the French.

To-morrow's move by Britain comes after many weeks of uncertainty and hesitation and after sharp American criticism earlier this year of the export insurance measures ado[pted by] the British Government.

At one stage in Marc[h] the question of import ... was still a live issue in ... Labour Government an... it was even considered ... that Britain would not ... a renewal of the trade ...

Editorial comment, P...

Continued from Page 1

Unions reject steel lay-offs

been told that the BSC intended to bring down manning levels permanently.

The BSC's detailed account of its manning proposals inevitably overshadowed the contents of the letter which Sir Monty sent to Mr. Benn yesterday, in reply to the four questions posed last week.

Sir Monty's letter is highly significant, however. Although his reply is carefully worded, and obviously intended for Parliament as a whole and not only Mr. Benn, the BSC's Chairman makes no attempt to back down from his previous statements.

Indeed, Sir Monty restates his conviction that obsolescent plant should be replaced under the Corporation's £4.5bn. development strategy, with a consequent reduction in manning, so that the Corporation can take part in "that regeneration of British industry to which the Government rightly attaches the highest importance."

Sir Monty answers Mr. Benn's questions point by point:

Firstly, discussing the Government's role in the steel plant closure review it is now carrying out, he accepts that the Government "should continue to consult all concerned the implications of proposed closures ... communities and the scope for ... the Corporation ... posals if necessary ..."

Equally, Sir ... like ... Government, ... must do everything ... to help find new job opportunities in the areas which ... most seriously affected.

Secondly, Sir Monty emphasises that although the BSC Board is acutely conscious of the human and social problems involved, the Corporation looks to the Government for support in its essential strategy of producing a modern steel industry—"for on this depends in the years to come the jobs and wealth of those in the industry and the many more in the industries downstream of us."

Turning to manning, Sir Monty points out that the BSC has already made it clear that under its present strategy about 40,000 job opportunities would go over the next decade and that productivity agreements might even secure a greater reduction than this.

Severe fall

In addition, the BSC was obliged to reduce numbers by several thousand this year (now known to be around 22,000) because of the severe fall in demand, which at present is as much as 50 per cent. for some products.

Certain proposals had been made to the Government under which some jobs might be maintained for a limited period by the BSC making steel to put into stock for the next expansion. "I hope for an early conclusion on this."

Discussing the relationship between the Government and the Corporation, Sir Monty suggests that each should work with the other with the prime objective of producing a steel industry in the U.K. comparable in efficiency with the industries in other advanced industrial countries.

This was necessary so that the industry could compete successfully, to the benefit of its employees, its customers and the economy as a whole.

"We have different pressures upon us. The Corporation is responsible for an industry with a long time-scale: we are necessarily having to think about the shape of the industry, and each particular plant, 10 years ahead.

"The Government is more obliged to deal with the pressures of to-day and the months and years immediately ahead, especially in a situation of rising unemployment.

"Nevertheless we consider that the relationship between the Government and the Corporation should rest squarely on the relevant statutes, expressing the will of Parliament.

"These provisions determine the basic powers of both the Secretary of State and of the Corporation."

Experience had shown that some matters needed to be further clarified if the relationship was to be expressed in terms of detailed procedures applicable to the practical issues that arise.

"Ever since it was established, the Corporation has pressed for this clarification to be set down as far as possible in agreed written documents or guidelines. Considerable progress has been made in this direction, though more remains to be done."

The Corporation was "very willing" to give its detailed views as part of any further inquiry which Parliament or the Government might set up at any time, whether relating to the Corporation only or to nationalised industries as a whole.

On Mr. Benn's final question, which dealt with the socialisation of the steel industry and worker participation, Sir Monty said that the BSC Board included two men with "wide trade union experience" and two who worked in "major steel-consuming" industries.

Elements

"You are aware of my view that these elements of Board membership could well be expanded to some extent without impairing the balance of experience of the Board as a whole."

The Corporation's machinery for joint consultation "more than complies," in letter and spirit with the requirements of the Iron and Steel Act.

Sir Monty listed other steps that the Corporation had taken to improve communications and consultation, and emphasised that the Corporation would play its full part in "implementing any new provisions which Parliament may enact in the future in the realm of workers' involvement."

● The Scottish Council of the Labour Party, the Scottish TUC and the Scottish Parliamentary Labour Group issued a joint statement yesterday calling for a halt to any movement of steel jobs from Scotland.

Weather

U.K. TO-DAY

MAINLY dry with sunny periods.

London

Sunny periods, but becoming cloudy later, perhaps with some rain. Wind N.E. moderate or fresh. Max. 14C (57F).

S.E., S.W. and Cent. S. England, Channel Is.

Sunny intervals, but rather cloudy with rain in places later. Wind N.E. fresh or strong. Max. 14C (57F).

E. Anglia, E. England

Dry. Rather cloudy. Bright intervals. Wind N.E. fresh. Max. 12C (54F).

Midlands, Wales, N.W. and Cent. N. England

Dry. Sunny periods. Wind N.E. moderate or fresh. Max. 15C (59F).

Lakes, I. of Man, N.E. England

Dry. Sunny periods. Wind N.E. light or moderate. Max. 16C (61F).

Borders, Edinburgh, Aberdeen, Glasgow, Cent. Highlands.

Dry. Sunny periods. Wind variable light. Max. 14C (57F).

S.W. Scotland, Argyll, N. Ireland

Fog patches early. Dry sunny periods. Wind variable light. Max. 14C (57F).

Outlook: Mostly dry with sunny periods, but some outbreaks of rain in S. Temperatures near normal.

Lighting-up: London 20.59, Manchester 21.16, Glasgow 21.33.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	F	22	72	London	F	12	54
Amstrdm.	F	14	57	Luxembg.	F	14	57
Athens	C	20	68	Madrid	C	12	[illegible]
Bahrain	C	31	88	Manchstr.	F	13	[illegible]
Barcelona	F	15	59	Melbourne	C	19	66
Beirut	S	21	70	Milan	R	12	54
Belfast	F	12	54	Montreal	S	12	54
Belgrade	F	21	70	Moscow	F	24	75
Berlin	C	12	54	Munich	C	13	55
Birmghm.	F	12	54	Newcastle	S	10	50
Bristol	C	12	54	New York	C	12	54
Brussels	F	15	59	Oslo	S	11	52
Budapest	F	18	64	Paris	C	14	57
B. Aires	S	18	65	Prague	C	11	52
Cairo	S	28	82	Reykjavik	C	7	45
Cardiff	F	11	52	Rio de J'o	S	29	84
Cologne	C	16	61	Rome	C	17	63
Copnhagn.	S	13	55	Singapore	S	31	88
Dublin	S	10	50	Stockholm	S	15	59
Edinb'gh	S	10	50	Strasbourg	C	14	57
Frankfurt	F	15	59	Sydney	F	20	68
Geneva	C	9	48	Tel Aviv	C	20	68
Glasgow	S	14	57	Tokyo	C	27	81
Helsinki	S	15	59	Toronto	C	8	47
H. Kong	S	29	84	Vienna	S	17	63
Jo'burg	S	19	66	Warsaw	C	14	57
Lisbon	S	17	63	Zurich	C	11	52

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	C	15	59	Las Plms.	S	24	[illegible]
Algiers	C	13	55	Locarno	R	16	[illegible]
Biarritz	F	10	50	Majorca	C	16	61
Blackpool	S	15	59	Malaga	F	17	63
Bordeaux	R	7	45	Malta	C	18	64
Boulogne	C	10	50	Nairobi	C	20	68
Casablnca.	S	21	70	Naples	C	19	66
Cape Tn.	S	20	68	Nassau	S	29	84
Corfu	C	18	64	Nice	C	14	57
Dubrovnik	C	20	68	Nicosia	S	21	70
Faro	S	19	66	Oporto	S	16	61
Florence	R	13	55	Rhodes	F	21	70
Funchal	S	20	68	Salzburg	F	13	55
Guernsey	C	11	52	Tangier	S	18	64
Innsbruck	C	15	59	Tenerife	S	17	63
Inverness	C	11	52	Tunis	C	16	61
I. of Man	S	10	50	Valencia	C	16	61
Istanbul	S	18	64	Venice	R	15	59
Jersey	C	10	50				

S—Sunny, F—Fair, C—Cloudy, R—Rain.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and ... by the Financial Times Ltd., Bracken House, Cannon Street, London EC4...